

# **ANNUAL FINANCIAL REPORT**

## **HAYWOOD COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2017**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT  
HAYWOOD COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2017**

***COMPTROLLER OF THE TREASURY  
JUSTIN P. WILSON***

***DIVISION OF LOCAL GOVERNMENT AUDIT  
JAMES R. ARNETTE  
Director***

***LEE ANN WEST, CPA, CGFM  
Audit Manager***

***B. KEITH RICE, CGFM  
Auditor 4***

***AMANDA MARCH, CPA, CFE  
LAUREN LEWIS  
JUSTIN PETERING  
MEREDITH JAGGARS  
MEGAN RANEY  
TWYLA PRATT  
State Auditors***

**This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)**

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## ***Summary of Audit Findings***

Annual Financial Report  
Haywood County, Tennessee  
For the Year Ended June 30, 2017

### ***Scope***

We have audited the basic financial statements of Haywood County as of and for the year ended June 30, 2017.

### ***Results***

Our report on Haywood County's financial statements is unmodified.

Our audit resulted in eight findings and recommendations, which we have reviewed with Haywood County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

### ***Findings***

The following are summaries of the audit findings:

#### **OFFICE OF COUNTY MAYOR**

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ County officials did not adequately control access to the courthouse offices.
- ◆ The office used a signature stamp for some vendor and payroll checks.
- ◆ The office had deficiencies in budget operations.

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#### **OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER**

- ◆ The Highway Department did not maintain a system to account for materials used on some types of road projects.
- ◆ Duties were not segregated adequately.

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#### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Funds were transferred from the General Purpose School Fund to the School Federal Projects Fund without county commission and Board of Education approval.

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## INTRODUCTORY SECTION

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## Haywood County Officials

June 30, 2017

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### **Officials**

Franklin Smith, County Mayor  
Greg McCarley, Chief Administrative Highway Officer  
Teresa Russell, Director of Schools  
William Howse, Trustee  
Gwen Watson, Assessor of Property  
Sonya Castellaw, County Clerk  
Mary Lonon, Circuit, General Sessions, and Juvenile Courts Clerk  
Sarah Levy, Clerk and Master  
Steve Smith, Register of Deeds  
Melvin Bond, Sheriff

### **Board of County Commissioners**

Franklin Smith, County Mayor, Chairman	James Morgan
Joe Barden IV	Alan O'Quin
Becky Booth	Dell Phillips
James Carlton	Jeffrey Richmond
Wally Eubanks	Janice Rogers
John Gorman, Jr.	Freddy Smith
Robert Green	Jerry Smith
Sheronda Green	Larry Stanley
Richard Jameson	Joe Stephens
Leonard Jones, Jr.	Marjorie Vaulx
Allen King	

### **Highway Commission**

Robert English, Jr., Chairman  
Milton Booth  
James Boyd  
George Floyd  
Chuck Lonon

### **Board of Education**

Harold Garrett, Chairman  
Allen Currie  
Olivia Farrington  
Harrison Jones  
Greg Vanstory

### **Audit Committee**

Steve Correa, Chairman  
Lenoard Jones, Jr.  
Greg Vanstory  
Pam Deen White



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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

## Independent Auditor's Report

Haywood County Mayor and  
Board of County Commissioners  
Haywood County, Tennessee

To the County Mayor and Board of County Commissioners:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Haywood County Utility District. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Haywood County Utility District is based solely on the reports of other auditors. We were unable to determine Haywood County Utility District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Haywood County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedule of funding progress - other postemployment benefits plans on pages 94-101 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial

statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Haywood County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), miscellaneous schedules, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

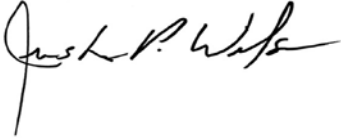
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2018, on our consideration of Haywood County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Haywood

County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haywood County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical line extending downwards from the end.

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 16, 2018

JPW/yu

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## **BASIC FINANCIAL STATEMENTS**

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## Exhibit A

Haywood County, Tennessee  
Statement of Net Position  
June 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>ASSETS</u>					
Cash	\$ 45,949	\$ 124,643	\$ 170,592	\$ 0	\$ 481,464
Equity in Pooled Cash and Investments	9,647,909	0	9,647,909	5,221,653	0
Accounts Receivable	1,610,051	802,514	2,412,565	65,424	36,310
Allowance for Uncollectibles	(418,665)	(240,754)	(659,419)	0	0
Due from Other Governments	691,206	5,250	696,456	673,364	0
Due from Other Funds	409	380	789	0	0
Due from Primary Government	0	0	0	80,000	0
Property Taxes Receivable	7,645,679	0	7,645,679	3,860,508	0
Allowance for Uncollectible Property Taxes	(216,605)	0	(216,605)	(109,369)	0
Net Pension Asset - Agent Plan	111,988	3,404	115,392	90,702	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	29,896	0
Capital Assets:					
Assets Not Depreciated:					
Land	4,374,111	235,000	4,609,111	143,868	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	9,741,281	69,663	9,810,944	12,302,829	3,112,269
Infrastructure	7,069,414	0	7,069,414	0	0
Other Capital Assets	3,594,780	257,570	3,852,350	1,272,591	0
Total Assets	\$ 43,897,507	\$ 1,257,670	\$ 45,155,177	\$ 23,631,466	\$ 3,630,043
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Amount on Refunding	\$ 230,690	\$ 0	\$ 230,690	\$ 0	\$ 0
Pension Changes in Experience	205,948	6,260	212,208	255,188	0
Pension Changes in Investment Earnings	672,703	20,448	693,151	2,817,831	0
Pension Other Deferrals	0	0	0	3,887	0
Pension Contributions After Measurement Date	695,294	21,155	716,449	1,570,044	0
Total Deferred Outflows of Resources	\$ 1,804,635	\$ 47,863	\$ 1,852,498	\$ 4,646,950	\$ 0
<u>LIABILITIES</u>					
Accounts Payable	\$ 331,357	\$ 44,581	\$ 375,938	\$ 56,508	\$ 13,965
Payroll Deductions Payable	136,862	1,102	137,964	702,406	0
Due to Other Funds	380	409	789	0	0
Due to Component Units	80,000	0	80,000	0	0
Due to State of Tennessee	3,322	129	3,451	0	0
Accrued Interest Payable	50,064	0	50,064	0	8,668
Noncurrent Liabilities:					
Due Within One Year	1,407,329	89,222	1,496,551	0	12,661
Due in More Than One Year	14,578,584	1,794,691	16,373,275	2,666,827	398,089
Total Liabilities	\$ 16,587,898	\$ 1,930,134	\$ 18,518,032	\$ 3,425,741	\$ 433,383
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,964,225	\$ 0	\$ 6,964,225	\$ 3,487,384	\$ 0
Pension Changes in Experience	853,377	25,940	879,317	3,153,984	0
Pension Other Deferrals	0	0	0	59,037	0
Total Deferred Inflows of Resources	\$ 7,817,602	\$ 25,940	\$ 7,843,542	\$ 6,700,405	\$ 0

(Continued)

Exhibit A

Haywood County, Tennessee  
Statement of Net Position (Cont.)

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 12,032,215	\$ 419,655	\$ 12,451,870	\$ 13,719,288	\$ 2,701,519
Restricted for:					
General Government	128,949	0	128,949	0	0
Finance	21,353	0	21,353	0	0
Administration of Justice	405,381	0	405,381	0	0
Public Safety	116,966	0	116,966	0	0
Social, Cultural, and Recreational Services	12,737	0	12,737	0	0
Highway/Public Works	2,446,983	0	2,446,983	0	0
Capital Projects	54,794	0	54,794	0	0
Debt Service	233,970	0	233,970	0	0
Education	0	0	0	749,764	0
Operation of Non-instructional Services	0	0	0	629,652	0
Pensions	111,988	3,404	115,392	120,598	0
Unrestricted	5,731,306	(1,073,600)	4,657,706	2,932,968	495,141
Total Net Position	\$ 21,296,642	\$ (650,541)	\$ 20,646,101	\$ 18,152,270	\$ 3,196,660

The notes to the financial statements are an integral part of this statement.



Exhibit B

Haywood County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
Primary Government:									
Governmental Activities:									
General Government	\$ 1,656,976	\$ 124,313	\$ 22,737	\$ 0	\$ (1,509,926)	\$ 0	\$ (1,509,926)	\$ 0	\$ 0
Finance	950,587	597,218	304	0	(353,065)	0	(353,065)	0	0
Administration of Justice	1,137,569	703,282	4,815	0	(429,472)	0	(429,472)	0	0
Public Safety	4,917,703	982,894	42,383	30,000	(3,862,426)	0	(3,862,426)	0	0
Public Health and Welfare	2,548,626	1,902,922	62,490	53,081	(530,133)	0	(530,133)	0	0
Social, Cultural, and Recreational Services	1,001,694	34,429	16,733	9,024	(941,508)	0	(941,508)	0	0
Agriculture and Natural Resources	232,373	0	0	0	(232,373)	0	(232,373)	0	0
Highways/Public Works	2,125,565	174,724	1,866,941	1,148,212	1,064,312	0	1,064,312	0	0
Education	103,085	0	0	0	(103,085)	0	(103,085)	0	0
Interest on Long-term Debt	589,063	0	42,585	0	(546,478)	0	(546,478)	0	0
Total Governmental Activities	\$ 15,263,241	\$ 4,519,782	\$ 2,058,988	\$ 1,240,317	\$ (7,444,154)	\$ 0	\$ (7,444,154)	\$ 0	\$ 0
Business-type Activities:									
Solid Waste Disposal	\$ 902,003	\$ 682,854	\$ 23,571	\$ 0	\$ 0	\$ (195,578)	\$ (195,578)	\$ 0	\$ 0
Total Primary Government	\$ 16,165,244	\$ 5,202,636	\$ 2,082,559	\$ 1,240,317	\$ (7,444,154)	\$ (195,578)	\$ (7,639,732)	\$ 0	\$ 0
Component Units:									
Haywood County School Department	\$ 28,271,094	\$ 100,791	6,422,357	\$ 80,000	\$ 0	\$ 0	\$ 0	\$ (21,667,946)	\$ 0
Haywood County Utility District	305,556	368,629	0	0	0	0	0	0	63,073
Total Component Units	\$ 28,576,650	\$ 469,420	\$ 6,422,357	\$ 80,000	\$ 0	\$ 0	\$ 0	\$ (21,667,946)	\$ 63,073

(Continued)

Exhibit B

Haywood County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 5,896,070	\$ 0	\$ 5,896,070	\$ 3,872,521	\$ 0
Property Taxes Levied for Debt Service					919,135	0	919,135	0	0
Local Option Sales Taxes					105,889	0	105,889	1,785,914	0
Hotel/Motel Tax					52,375	0	52,375	0	0
Wheel Tax					973,848	0	973,848	280,238	0
Litigation Taxes					516,396	0	516,396	0	0
Business Tax					169,213	0	169,213	0	0
Wholesale Beer Tax					63,311	0	63,311	0	0
Other Local Taxes					106,180	0	106,180	45,916	0
Grants and Contributions Not Restricted to Specific Programs					1,443,607	21,000	1,464,607	16,955,600	0
Unrestricted Investment Income					152,233	0	152,233	0	1,345
Miscellaneous					101,564	0	101,564	17,511	0
Total General Revenues					\$ 10,499,821	\$ 21,000	\$ 10,520,821	\$ 22,957,700	\$ 1,345
Transfers					\$ (230,000)	\$ 230,000	\$ 0	\$ 0	\$ 0
Change in Net Position					\$ 2,825,667	\$ 55,422	\$ 2,881,089	\$ 1,289,754	\$ 64,418
Net Position, July 1, 2016					18,470,975	(705,963)	17,765,012	16,862,516	3,132,242
Net Position, June 30, 2017					\$ 21,296,642	\$ (650,541)	\$ 20,646,101	\$ 18,152,270	\$ 3,196,660

The notes to the financial statements are an integral part of this statement.

## Exhibit C-1

Haywood County, Tennessee  
 Balance Sheet  
 Governmental Funds  
 June 30, 2017

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 45,949	\$ 45,949
Equity in Pooled Cash and Investments	2,368,710	4,539,322	2,458,308	279,872	9,646,212
Accounts Receivable	1,598,034	0	2,611	9,406	1,610,051
Allowance for Uncollectibles	(418,665)	0	0	0	(418,665)
Due from Other Governments	365,166	324,466	0	1,574	691,206
Due from Other Funds	9,885	1,697	0	76	11,658
Property Taxes Receivable	6,253,272	475,270	917,137	0	7,645,679
Allowance for Uncollectible Property Taxes	(177,157)	(13,465)	(25,983)	0	(216,605)
Total Assets	<u>\$ 9,999,245</u>	<u>\$ 5,327,290</u>	<u>\$ 3,352,073</u>	<u>\$ 336,877</u>	<u>\$ 19,015,485</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 270,617	\$ 23,006	\$ 0	\$ 37,734	\$ 331,357
Payroll Deductions Payable	109,289	0	0	1,812	111,101
Due to Other Funds	206	0	0	9,726	9,932
Due to Component Units	0	0	80,000	0	80,000
Due to State of Tennessee	3,123	0	0	199	3,322
Other Funds Due State	25,761	0	0	0	25,761
Total Liabilities	<u>\$ 408,996</u>	<u>\$ 23,006</u>	<u>\$ 80,000</u>	<u>\$ 49,471</u>	<u>\$ 561,473</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,706,397	\$ 429,334	\$ 828,494	\$ 0	\$ 6,964,225
Deferred Delinquent Property Taxes	315,022	27,643	53,344	0	396,009
Other Deferred/Unavailable Revenue	1,241,493	167,948	0	1,574	1,411,015
Total Deferred Inflows of Resources	<u>\$ 7,262,912</u>	<u>\$ 624,925</u>	<u>\$ 881,838</u>	<u>\$ 1,574</u>	<u>\$ 8,771,249</u>

(Continued)

Exhibit C-1

Haywood County, Tennessee  
Balance Sheet  
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 87,698	\$ 0	\$ 0	\$ 0	\$ 87,698
Restricted for Finance	21,353	0	0	0	21,353
Restricted for Administration of Justice	405,381	0	0	0	405,381
Restricted for Public Safety	34,438	0	0	82,528	116,966
Restricted for Social, Cultural, and Recreational Services	12,737	0	0	0	12,737
Restricted for Highways/Public Works	0	2,277,398	0	0	2,277,398
Restricted for Capital Projects	0	0	0	53,220	53,220
Restricted for Other Purposes	38,248	0	0	3,003	41,251
Committed:					
Committed for Finance	0	0	0	35,473	35,473
Committed for Public Safety	9,823	0	0	0	9,823
Committed for Public Health and Welfare	23,541	0	0	62,956	86,497
Committed for Highways/Public Works	0	2,401,961	0	0	2,401,961
Committed for Capital Outlay	0	0	0	13,906	13,906
Committed for Debt Service	0	0	2,390,235	0	2,390,235
Committed for Capital Projects	0	0	0	34,746	34,746
Unassigned	1,694,118	0	0	0	1,694,118
Total Fund Balances	<u>\$ 2,327,337</u>	<u>\$ 4,679,359</u>	<u>\$ 2,390,235</u>	<u>\$ 285,832</u>	<u>\$ 9,682,763</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,999,245</u>	<u>\$ 5,327,290</u>	<u>\$ 3,352,073</u>	<u>\$ 336,877</u>	<u>\$ 19,015,485</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Haywood County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2017

Amounts reported for governmental activities in the statement of net position  
(Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	9,682,763
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	4,374,111	
Add: buildings and improvements net of accumulated depreciation		9,741,281	
Add: infrastructure net of accumulated depreciation		7,069,414	
Add: other capital assets net of accumulated depreciation		<u>3,594,780</u>	24,779,586
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital lease payable	\$	(113,587)	
Less: other loans payable		(1,149,983)	
Less: bonds payable		(14,582,438)	
Less: compensated absences payable		(26,006)	
Less: accrued interest on capital lease and bonds		(50,064)	
Add: deferred amount on refunding		230,690	
Less: other deferred revenues - premium on debt		<u>(113,899)</u>	(15,805,287)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	1,573,945	
Less: deferred inflows of resources related to pensions		<u>(853,377)</u>	720,568
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			111,988
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,807,024</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>21,296,642</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Haywood County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 6,989,792	\$ 635,976	\$ 1,533,241	\$ 0	\$ 9,159,009
Licenses and Permits	17,276	0	0	0	17,276
Fines, Forfeitures, and Penalties	175,785	0	0	144,447	320,232
Charges for Current Services	1,209,719	0	0	818,183	2,027,902
Other Local Revenues	220,552	174,969	89,131	25,610	510,262
Fees Received From County Officials	981,870	0	0	0	981,870
State of Tennessee	1,128,280	3,049,420	57,019	50,317	4,285,036
Federal Government	75,662	0	95,734	53,081	224,477
Other Governments and Citizens Groups	777,329	0	50,000	13,200	840,529
Total Revenues	\$ 11,576,265	\$ 3,860,365	\$ 1,825,125	\$ 1,104,838	\$ 18,366,593
<u>Expenditures</u>					
Current:					
General Government	\$ 1,623,936	\$ 0	\$ 0	\$ 0	\$ 1,623,936
Finance	741,687	0	0	185,950	927,637
Administration of Justice	1,008,061	0	0	0	1,008,061
Public Safety	4,217,187	0	0	77,460	4,294,647
Public Health and Welfare	2,038,606	0	0	399,815	2,438,421
Social, Cultural, and Recreational Services	869,406	0	0	0	869,406
Agriculture and Natural Resources	225,219	0	0	0	225,219
Other Operations	679,182	0	0	61,691	740,873
Highways	0	3,436,785	0	0	3,436,785
Debt Service:					
Principal on Debt	0	0	1,324,119	0	1,324,119
Interest on Debt	0	0	546,349	0	546,349
Other Debt Service	0	0	127,920	0	127,920

(Continued)

Exhibit C-3

Haywood County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 139,646	\$ 139,646
Total Expenditures	\$ 11,403,284	\$ 3,436,785	\$ 1,998,388	\$ 864,562	\$ 17,703,019
 Excess (Deficiency) of Revenues Over Expenditures	 \$ 172,981	 \$ 423,580	 \$ (173,263)	 \$ 240,276	 \$ 663,574
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 32,999	\$ 0	\$ 0	\$ 0	\$ 32,999
Refunding Debt Issued	0	0	1,196,134	0	1,196,134
Insurance Recovery	301,089	6,407	0	34,365	341,861
Transfers In	0	0	0	39,000	39,000
Transfers Out	0	0	0	(269,000)	(269,000)
Payments to Refunded Debt Escrow Agent	0	0	(1,180,000)	0	(1,180,000)
Total Other Financing Sources (Uses)	\$ 334,088	\$ 6,407	\$ 16,134	\$ (195,635)	\$ 160,994
 Net Change in Fund Balances	 \$ 507,069	 \$ 429,987	 \$ (157,129)	 \$ 44,641	 \$ 824,568
Fund Balance, July 1, 2016	1,820,268	4,249,372	2,547,364	241,191	8,858,195
 Fund Balance, June 30, 2017	 \$ 2,327,337	 \$ 4,679,359	 \$ 2,390,235	 \$ 285,832	 \$ 9,682,763

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Haywood County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 824,568
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,141,042	
Less: current-year depreciation expense	<u>(1,672,955)</u>	468,087
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	\$ 30,000	
Less: proceeds received on sale of capital assets	<u>(44,110)</u>	(14,110)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$ 1,807,024	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(1,850,659)</u>	(43,635)
(4) The issuance of long-term debt (e.g., bonds, capital leases, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: capital lease proceeds	\$ (32,999)	
Less: refunding debt proceeds	(1,196,134)	
Less: change in deferred amount on refunding debt	(43,232)	
Add: principal payments on capital leases	77,450	
Add: principal payments on other loans	200,004	
Add: principal payments on bonds	1,046,665	
Add: payment to refunding agent	1,180,000	
Add: change in premium on bond issuance	<u>10,060</u>	1,241,814
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 518	
Change in compensated absences payable	354	
Change in net pension asset - agent plan	166,906	
Change in deferred outflows related to pensions	665,039	
Change in deferred inflows related to pensions	<u>(483,874)</u>	348,943
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,825,667</u>

The notes to the financial statements are an integral part of this statement.



## Exhibit C-5

Haywood County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,989,792	\$ 6,867,640	\$ 6,742,640	\$ 247,152
Licenses and Permits	17,276	18,950	18,950	(1,674)
Fines, Forfeitures, and Penalties	175,785	205,715	205,715	(29,930)
Charges for Current Services	1,209,719	1,203,985	1,203,985	5,734
Other Local Revenues	220,552	122,910	122,910	97,642
Fees Received From County Officials	981,870	1,179,700	1,179,700	(197,830)
State of Tennessee	1,128,280	1,085,673	1,085,673	42,607
Federal Government	75,662	217,000	217,000	(141,338)
Other Governments and Citizens Groups	777,329	689,000	689,000	88,329
Total Revenues	\$ 11,576,265	\$ 11,590,573	\$ 11,465,573	\$ 110,692
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 77,026	\$ 81,219	\$ 88,649	\$ 11,623
Beer Board	720	600	800	80
County Mayor/Executive	318,808	306,154	336,044	17,236
County Attorney	42,895	37,966	50,066	7,171
Election Commission	126,544	153,828	153,828	27,284
Register of Deeds	130,963	129,733	135,036	4,073
Development	70,177	73,824	74,824	4,647
County Buildings	708,164	642,139	731,519	23,355
Other General Administration	148,639	0	148,812	173
<u>Finance</u>				
Accounting and Budgeting	8,550	5,725	8,825	275
Property Assessor's Office	288,890	268,817	312,744	23,854
Reappraisal Program	14,033	43,889	43,889	29,856
County Trustee's Office	82,518	270,198	272,198	189,680
County Clerk's Office	299,845	306,426	307,926	8,081
Data Processing	47,851	45,065	50,398	2,547
<u>Administration of Justice</u>				
Circuit Court	485,953	499,217	532,103	46,150
General Sessions Judge	247,936	249,454	250,054	2,118
General Sessions Court Clerk	3,002	4,000	4,000	998
Chancery Court	180,463	183,425	187,164	6,701
Juvenile Court	90,707	92,097	98,747	8,040
<u>Public Safety</u>				
Sheriff's Department	1,418,871	1,371,149	1,543,849	124,978
Jail	1,996,009	1,831,036	2,139,736	143,727
Workhouse	184,611	150,544	191,393	6,782
Fire Prevention and Control	363,375	357,500	362,000	(1,375)
Civil Defense	19,395	19,395	19,395	0
Rescue Squad	13,080	13,335	13,335	255
County Coroner/Medical Examiner	4,200	4,800	4,800	600
Other Public Safety	217,646	183,000	273,000	55,354
<u>Public Health and Welfare</u>				
Local Health Center	53,688	52,764	52,764	(924)
Rabies and Animal Control	86,662	84,263	84,263	(2,399)
Ambulance/Emergency Medical Services	1,759,823	1,764,725	1,826,226	66,403

(Continued)

## Exhibit C-5

Haywood County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund (Cont.)

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Alcohol and Drug Programs	\$ 13,026	\$ 18,731	\$ 18,731	\$ 5,705
Other Local Health Services	9,028	10,000	10,000	972
Appropriation to State	116,379	144,596	147,096	30,717
<u>Social, Cultural, and Recreational Services</u>				
Libraries	152,568	154,619	156,059	3,491
Parks and Fair Boards	691,778	722,536	731,136	39,358
Other Social, Cultural, and Recreational	25,060	184,750	184,750	159,690
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	135,372	147,763	158,763	23,391
Soil Conservation	89,847	65,728	93,528	3,681
<u>Other Operations</u>				
Industrial Development	115,582	125,153	135,041	19,459
Other Economic and Community Development	9,024	0	9,300	276
Veterans' Services	24,592	20,124	25,324	732
Other Charges	35,587	34,690	36,690	1,103
Contributions to Other Agencies	163,884	168,669	177,669	13,785
Miscellaneous	330,513	334,631	360,846	30,333
Total Expenditures	\$ 11,403,284	\$ 11,358,277	\$ 12,543,320	\$ 1,140,036
Excess (Deficiency) of Revenues Over Expenditures	\$ 172,981	\$ 232,296	\$ (1,077,747)	\$ 1,250,728
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 32,999	\$ 0	\$ 32,999	\$ 0
Insurance Recovery	301,089	10,000	10,000	291,089
Total Other Financing Sources	\$ 334,088	\$ 10,000	\$ 42,999	\$ 291,089
Net Change in Fund Balance	\$ 507,069	\$ 242,296	\$ (1,034,748)	\$ 1,541,817
Fund Balance, July 1, 2016	1,820,268	1,772,508	1,772,508	47,760
Fund Balance, June 30, 2017	\$ 2,327,337	\$ 2,014,804	\$ 737,760	\$ 1,589,577

The notes to the financial statements are an integral part of this statement.

## Exhibit C-6

Haywood County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 635,976	\$ 627,889	\$ 627,889	\$ 8,087
Other Local Revenues	174,969	161,570	161,570	13,399
State of Tennessee	3,049,420	2,686,931	3,306,758	(257,338)
Federal Government	0	138,000	138,000	(138,000)
Total Revenues	<u>\$ 3,860,365</u>	<u>\$ 3,614,390</u>	<u>\$ 4,234,217</u>	<u>\$ (373,852)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 161,547	\$ 168,534	\$ 168,534	\$ 6,987
Highway and Bridge Maintenance	915,443	1,255,598	1,255,598	340,155
Operation and Maintenance of Equipment	465,391	538,272	526,701	61,310
Other Charges	115,994	130,850	130,850	14,856
Employee Benefits	274,808	267,275	278,846	4,038
Capital Outlay	1,503,602	1,207,000	1,826,827	323,225
Total Expenditures	<u>\$ 3,436,785</u>	<u>\$ 3,567,529</u>	<u>\$ 4,187,356</u>	<u>\$ 750,571</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 423,580</u>	<u>\$ 46,861</u>	<u>\$ 46,861</u>	<u>\$ 376,719</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 6,407	\$ 0	\$ 0	\$ 6,407
Total Other Financing Sources	<u>\$ 6,407</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,407</u>
Net Change in Fund Balance	\$ 429,987	\$ 46,861	\$ 46,861	\$ 383,126
Fund Balance, July 1, 2016	<u>4,249,372</u>	<u>4,216,265</u>	<u>4,216,265</u>	<u>33,107</u>
Fund Balance, June 30, 2017	<u><u>\$ 4,679,359</u></u>	<u><u>\$ 4,263,126</u></u>	<u><u>\$ 4,263,126</u></u>	<u><u>\$ 416,233</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-1

Haywood County, Tennessee  
Statement of Net Position  
Proprietary Fund  
June 30, 2017

Major Fund  
Business-type  
Activities -  
Enterprise Fund  
Solid Waste  
Disposal Fund

ASSETS

Current Assets:	
Cash with Trustee	\$ 124,643
Accounts Receivable	802,514
Allowance for Uncollectibles	(240,754)
Due from Other Governments	5,250
Due from Other Funds	380
Net Pension Asset	3,404
Total Current Assets	<u>\$ 695,437</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 235,000
Assets Net of Accumulated Depreciated:	
Buildings and Improvements	69,663
Other Capital Assets	257,570
Total Noncurrent Assets	<u>\$ 562,233</u>
Total Assets	<u>\$ 1,257,670</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 6,260
Pension Changes in Investment Earnings	20,448
Pension Contributions After Measurement Date	21,155
Total Deferred Outflows of Resources	<u>\$ 47,863</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 44,581
Payroll Deductions Payable	1,102
Due to Other Funds	409
Due to State of Tennessee	129
Capital Leases Payable - Current	44,913
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	44,309
Total Current Liabilities	<u>\$ 135,443</u>

(Continued)

Exhibit D-1

Haywood County, Tennessee  
Statement of Net Position  
Proprietary Fund (Cont.)

Major Fund  
Business-type  
Activities -  
Enterprise Fund  
Solid Waste  
Disposal Fund

LIABILITIES (CONT.)

Noncurrent Liabilities:

Capital Leases Payable - Long-term	\$ 97,665
Accrued Liability for Landfill Closure/Postclosure Care Costs	1,697,026
Total Noncurrent Liabilities	<u>\$ 1,794,691</u>
Total Liabilities	<u>\$ 1,930,134</u>

DEFERRED INFLOWS OF RESOURCES

Pension Changes in Experience	\$ 25,940
Total Deferred Inflows of Resources	<u>\$ 25,940</u>

NET POSITION

Net Investment in Capital Assets	\$ 419,655
Restricted for Pensions	3,404
Unrestricted	<u>(1,073,600)</u>
Total Net Position	<u><u>\$ (650,541)</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-2

Haywood County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2017

	Major Fund
	Business-type
	Activities -
	Enterprise Fund
	Solid Waste
	Disposal Fund
<u>Operating Revenues</u>	
Tipping Fees	\$ 663,217
Sale of Materials and Supplies	19,637
Total Operating Revenues	<u>\$ 682,854</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 19,863
Equipment Operators	101,419
Part-time Personnel	880
Overtime Pay	13,230
Social Security	11,106
Pensions	4,768
Employee and Dependent Insurance	10,020
Life Insurance	1,060
Unemployment Compensation	547
Other Fringe Benefits	8,389
Communication	794
Contracts with Government Agencies	4,311
Contracts with Private Agencies	451,961
Engineering Services	6,145
Evaluation and Testing	769
Licenses	6,115
Printing, Stationery, and Forms	861
Rentals	38,500
Travel	786
Crushed Stone	2,802
Diesel Fuel	12,244
Drugs and Medical Supplies	96
Electricity	4,465
Equipment and Machinery Parts	40,576
Fertilizer, Lime, and Seed	236
Gasoline	4,816
Lubricants	1,578

(Continued)

Exhibit D-2

Haywood County, Tennessee  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Fund (Cont.)

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise Fund</u> <u>Solid Waste</u> <u>Disposal Fund</u>
<u>Operating Expenses (Cont.)</u>	
Office Supplies	\$ 796
Tires and Tubes	4,583
Other Supplies and Materials	6,084
Premiums on Corporate Surety Bonds	150
Trustee's Commission	6,416
Vehicle and Equipment Insurance	1,546
Workers' Compensation Insurance	8,832
Depreciation	59,425
Landfill Postclosure Care Costs	22,347
Other Charges	1,406
Other Construction	37,002
Total Operating Expenses	<u>\$ 896,924</u>
Operating Income (Loss)	<u>\$ (214,070)</u>
<u>Nonoperating Revenues (Expenses)</u>	
State Tire Tax	\$ 18,571
Lease/Rentals	5,000
Contributions	21,000
Interest on Capital Leases	(5,079)
Total Nonoperating Revenues (Expenses)	<u>\$ 39,492</u>
Income(Loss) Before Transfers	\$ (174,578)
Transfers In	<u>230,000</u>
Change in Net Position	\$ 55,422
Net Position, July 1, 2016	<u>(705,963)</u>
Net Position, June 30, 2017	<u><u>\$ (650,541)</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-3

Haywood County, Tennessee  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2017

	Major Fund Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 618,244
Receipts from Others	19,637
Payments for Waste Collections and Disposal Activity	(936,012)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (298,131)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Interest on Capital Leases	\$ (5,079)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (5,079)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from State Tire Tax	\$ 18,571
Receipts from Farmland Rental	5,000
Contributions	21,000
Transfers from Other Funds	230,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 274,571</u>
Net Increase (Decrease) in Cash	\$ (28,639)
Cash, July 1, 2016	<u>153,282</u>
Cash, June 30, 2017	<u><u>\$ 124,643</u></u>
<u>Reconciliation of Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (214,070)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	59,425
Change in Assets and Liabilities:	
(Increase) in Accounts Receivable	(63,960)
Increase in Allowance for Uncollectibles	19,368
(Increase) in Due from Other Funds	(380)
(Increase) in Net Pension Asset - Agent Plan	(5,062)
(Increase) in Deferred Outflows Related to Pensions	(20,441)
(Decrease) in Accounts Payable	(22,024)
(Decrease) in Payroll Deductions Payable	(563)
Increase in Due to Other Funds	409
(Decrease) in Due to State of Tennessee	(14)
(Decrease) in Accrued Liability for Landfill Postclosure Care Costs	(21,962)
(Decrease) in Capital Leases Payable	(43,643)
Increase in Deferred Inflows Related to Pensions	<u>14,786</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (298,131)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Equity in Pooled Cash and Investments	<u>\$ 124,643</u>
Cash, June 30, 2017	<u><u>\$ 124,643</u></u>

The notes to the financial statements are an integral part of this statement.



Exhibit E

Haywood County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2017

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 452,697
Equity in Pooled Cash and Investments	30,503
Accounts Receivable	7,521
Due from Other Governments	<u>291,260</u>
Total Assets	<u><u>\$ 781,981</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 3,394
Payroll Deductions Payable	282
Due to Other Taxing Units	286,608
Due to Litigants, Heirs, and Others	460,218
Due to Joint Venture	<u>31,479</u>
Total Liabilities	<u><u>\$ 781,981</u></u>

The notes to the financial statements are an integral part of this statement.

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## HAYWOOD COUNTY, TENNESSEE

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**HAYWOOD COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2017**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Haywood County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Haywood County:

**A. Reporting Entity**

Haywood County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Haywood County (the primary government) and its component units. The financial statements of the Haywood County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

**Discretely Presented Component Units** – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Haywood County School Department operates the public school system in the county, and the voters of Haywood County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the county commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its three-member governing body. The district is funded primarily from charges to customers for water services and grants. Before the issuance of most debt instruments, the district must obtain the county commission's approval.

The Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's

approval. The financial statements of the Haywood County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Haywood County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Haywood County Utility District and the Haywood County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Haywood County Utility District  
1 North Washington  
Brownsville, TN 38012

Haywood County Emergency Communications District  
100 S. Dupree Avenue  
Brownsville, TN 38012

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Haywood County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Haywood County issues all debt for the discretely presented Haywood County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2017.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Haywood County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Haywood County only reports one proprietary fund, a major enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The fiduciary funds in total are reported in a single column.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Haywood County considers grants and similar revenues to be

available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Haywood County reports the following major governmental funds:

**General Fund** – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Highway/Public Works Fund** – This special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

**General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Haywood County reports the following major proprietary fund:

**Solid Waste Disposal Fund** – This fund accounts for the county’s solid waste landfill operations.

Additionally, Haywood County reports the following fund types:

**Capital Projects Funds** – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, and for debt issued by Haywood County that is subsequently contributed to the discretely presented Haywood County School Department for construction and renovation projects.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, amounts collected for a joint venture emergency management agency, and local sales taxes received by the state to be forwarded to the various cities in Haywood County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Haywood County School Department reports the following major governmental funds:

**General Purpose School Fund** – This fund is the primary operating fund of the School Department. It is used to account for general operations of the School Department.

**School Federal Projects Fund** – This special revenue fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are tipping fees.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows, cash includes funds held by the county trustee as Equity in Pooled Cash and Investments.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of



certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Haywood County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Haywood County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 2.83 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court

for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

### 3. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and the business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the governmental activities of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 10
Infrastructure	8 - 30

Property, plant, and equipment of the Solid Waste Disposal Fund (enterprise fund) are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30
Machinery and Equipment	5 - 30

#### 4. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the deferred charge on refunding, pension changes in experience and investment earnings, pension changes in proportionate share of contributions, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in proportionate share of contributions, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### 5. **Compensated Absences**

The general policy of Haywood County (with the exception of sick and vacation leave for employees of the Highway Department) does not allow employees to accumulate sick and vacation days beyond year end.

It is the policy of the Highway Department to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Highway Department does not have a policy to pay any amounts when employees separate from service with the government. A liability for the vacation benefits is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented School Department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). Nonprofessional personnel are allowed to accumulate a limited amount of sick leave. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the School Department.

**6. Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

**7. Net Position and Fund Balance**

In the government-wide financial statements and the proprietary funds in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation

and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2017, Haywood County had \$3,207,983 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board

of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's budget committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Haywood County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Haywood County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Haywood County School Department**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

## **II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

### **A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position**

#### **Primary Government**

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

#### **Discretely Presented Haywood County School Department**

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

### **B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities**

#### **Primary Government**

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

#### **Discretely Presented Haywood County School Department**

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may

not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Beer Board, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

**B. Net Position Deficit**

The Solid Waste Disposal Fund had a deficit of \$1,073,600 in unrestricted net position and a total net position deficit of \$650,541 at June 30, 2017. This deficit primarily resulted from the recognition of a liability totaling \$1,741,335 for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

**C. Appropriations Exceeded Estimated Available Funds**

The budget and subsequent amendments approved by the county commission for the Drug Control Fund resulted in appropriations exceeding estimated funding by \$21,458.

**D. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the level of control) of the General Fund:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Public Safety - Fire Prevention and Control	\$ 1,375
Public Health and Welfare - Local Health Center	924
Public Health and Welfare - Rabies and Animal Control	2,399



#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits and Investments

Haywood County and the Haywood County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

##### Deposits

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

##### Investments

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase

agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2017.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2017, was as follows:

**Primary Government - Governmental Activities:**

	Balance 7-1-16	Increases	Decreases	Balance 6-30-17
Capital Assets Not Depreciated:				
Land	\$ 4,374,111	\$ 0	\$ 0	\$ 4,374,111
Total Capital Assets Not Depreciated	\$ 4,374,111	\$ 0	\$ 0	\$ 4,374,111
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,820,877	\$ 34,274	\$ (45,000)	\$ 18,810,151
Infrastructure	52,190,566	1,499,515	0	53,690,081
Other Capital Assets	12,006,162	637,253	(376,440)	12,266,975
Total Capital Assets Depreciated	\$ 83,017,605	\$ 2,171,042	\$ (421,440)	\$ 84,767,207
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,540,388	\$ 573,482	\$ (45,000)	\$ 9,068,870
Infrastructure	46,090,763	529,904	0	46,620,667
Other Capital Assets	8,434,956	569,569	(332,330)	8,672,195
Total Accumulated Depreciation	\$ 63,066,107	\$ 1,672,955	\$ (377,330)	\$ 64,361,732
Total Capital Assets Depreciated, Net	\$ 19,951,498	\$ 498,087	\$ (44,110)	\$ 20,405,475
Governmental Activities Capital Assets, Net	\$ 24,325,609	\$ 498,087	\$ (44,110)	\$ 24,779,586

Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities:**

General Government	\$ 166,253
Finance	29,282
Administration of Justice	58,331
Public Safety	554,341
Public Health and Welfare	109,526
Social, Cultural, and Recreational Services	54,708
Highway Department	<u>700,514</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,672,955</u></u>
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**Primary Government - Business-type Activities:**

	Balance 7-1-16	Increases	Balance 6-30-17
Capital Assets			
Not Depreciated:			
Land	\$ 235,000	\$ 0	\$ 235,000
Total Capital Assets			
Not Depreciated	\$ 235,000	\$ 0	\$ 235,000
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 215,300	\$ 0	\$ 215,300
Other Capital Assets	819,172	0	819,172
Total Capital Assets			
Depreciated	\$ 1,034,472	\$ 0	\$ 1,034,472
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 137,861	\$ 7,776	\$ 145,637
Other Capital Assets	509,954	51,649	561,603
Total Accumulated			
Depreciation	\$ 647,815	\$ 59,425	\$ 707,240
Total Capital Assets			
Depreciated, Net	\$ 386,657	\$ (59,425)	\$ 327,232
Business-type Activities			
Capital Assets, Net	\$ 621,657	\$ (59,425)	\$ 562,232

There were no decreases in capital assets to report during the year ended June 30, 2017.

**Discretely Presented Haywood County School Department -  
Governmental Activities:**

	Balance 7-1-16	Increases	Balance 6-30-17
Capital Assets Not Depreciated:			
Land	\$ 143,868	\$ 0	\$ 143,868
Total Capital Assets Not Depreciated	\$ 143,868	\$ 0	\$ 143,868
Capital Assets Depreciated:			
Buildings and Improvements	\$ 28,233,525	\$ 0	\$ 28,233,525
Other Capital Assets	6,389,597	338,632	6,728,229
Total Capital Assets Depreciated	\$ 34,623,122	\$ 338,632	\$ 34,961,754
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 15,090,812	\$ 839,884	\$ 15,930,696
Other Capital Assets	5,147,548	308,090	5,455,638
Total Accumulated Depreciation	\$ 20,238,360	\$ 1,147,974	\$ 21,386,334
Total Capital Assets Depreciated, Net	\$ 14,384,762	\$ (809,342)	\$ 13,575,420
Governmental Activities Capital Assets, Net	\$ 14,528,630	\$ (809,342)	\$ 13,719,288

There were no decreases in capital assets to report during the year ended June 30, 2017. Depreciation expense was charged to functions of the discretely presented Haywood County School Department as follows:

**Governmental Activities:**

Instruction	\$ 437,215
Support Services	689,847
Operation of Non-instructional Services	<u>20,912</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,147,974</u></u>

**C. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2017, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 9,476
"	Solid Waste Disposal	409
Highway/Public Works	General	1,697
Solid Waste Disposal	"	130
"	Nonmajor governmental	250
Nonmajor governmental	General	76
Discretely Presented School Department:		
General Purpose School	School Federal Projects	\$ 400,000

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

The receivable in the Highway/Public Works Fund totaling \$1,697 was in transit from the General Fund at June 30, 2017.

**Due to/from Primary Government and Component Units:**

Receivable Fund	Payable Fund	Amount
Component Unit:		
School Department:	Primary Government:	
General Purpose School	General Debt Service	\$ 80,000

### Interfund Transfers:

Interfund transfers for the year ended June 30, 2017, consisted of the following amounts:

#### Primary Government

Transfer Out	Transfers In		Purpose
	Solid Waste Disposal Fund	Nonmajor Governmental Fund	
Nonmajor governmental fund	\$ 230,000	\$ 0	Operations
"	0	39,000	Grant Match
Total	<u>\$ 230,000</u>	<u>\$ 39,000</u>	

#### Discretely Presented Haywood County School Department

Transfer Out	Transfer In		Purpose
	General Purpose School Fund		
School Federal Projects	\$ 40,779		Indirect Costs

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

#### D. Operating Lease

On August 28, 2012, the county mayor obtained document scanning services under an operating lease. The rental expenditures for the year ended June 30, 2017, were \$41,820. The future minimum lease payments are as follows:

Year Ending June 30	Amount
2018	<u>\$ 22,450</u>
Total	<u>\$ 22,450</u>

**E. Capital Leases**

**Governmental Activities**

On December 9, 2015, Haywood County entered into a two-year lease-purchase agreement for an ambulance and four defibrillators. The terms of the agreement require total lease payments of \$241,726 plus interest of 4.05 percent. Title to the equipment transfers to Haywood County at the end of the lease period. The General Debt Service Fund is making the lease payments.

On October 3, 2016, Haywood County entered into a five-year lease-purchase agreement for a tractor. The terms of the agreement require total lease payments of \$32,999 plus interest of 4.69 percent. Title to the equipment transfers to Haywood County at the end of the lease period. The General Fund is making the lease payments.

**Business-type Activities**

Terms of capital lease obligations outstanding at June 30, 2017, were as follows:

Description	Date of Lease	Length of Lease in Years	Gross Amount of Assets	Interest Rate
Tractor and Dirt Pan	9-6-13	5	\$ 57,344	3 %
Loader	9-2-14	5	83,539	2.49
Bulldozer	2-18-16	6	100,413	3.2

Title to the above-noted equipment transfers to Haywood County at the end of the lease period. The Solid Waste Disposal Fund is making the lease payments.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Business- type Activities
Other Capital Assets	\$ 274,725	\$ 241,296
Less: Accumulated Depreciation	(61,675)	(81,426)
Total Book Value	<u>\$ 213,050</u>	<u>\$ 159,870</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2017, were as follows:

Year Ending June 30	Governmental Activities	Business- type Activities
2018	\$ 91,409	\$ 48,724
2019	7,557	48,725
2020	7,557	22,867
2021	7,557	18,416
2022	7,557	12,278
Total Minimum Lease Payments	\$ 121,637	\$ 151,010
Less: Amount Representing Interest	(8,050)	(8,432)
Present Value of Minimum Lease Payments	\$ 113,587	\$ 142,578

**F. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Other Loans**

Haywood County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 39 years for bonds and 12 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2017, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and capital leases outstanding as of June 30, 2017, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
General Obligation Bonds	3.625 to 5.55%	2-5-37	\$ 10,860,000	\$ 6,724,438
General Obligation Bonds - Refunding	2 to 2.95	6-30-28	8,421,134	7,858,000
Other Loans Payable	0	4-1-23	2,000,000	1,149,983
Capital Leases	4.05 to 4.69	10-3-21	274,725	113,587



During the 2011-12 year, Haywood County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient School Initiative program. Under this agreement, the program made \$2,000,000 available for loan to Haywood County to increase energy efficiency in the Haywood County school system. This is an interest-free loan.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2017, including interest payments and other loan fees, are presented in the following tables:

Year Ending	Bonds		
	Principal	Interest	Total
2018	\$ 1,101,223	\$ 521,406	\$ 1,622,629
2019	1,150,773	486,113	1,636,886
2020	1,161,395	461,258	1,622,653
2021	1,197,094	436,111	1,633,205
2022	997,872	410,164	1,408,036
2023-2027	5,431,993	1,501,474	6,933,467
2028-2032	3,403,028	402,841	3,805,869
2033-2037	139,060	18,816	157,876
Total	<u>\$ 14,582,438</u>	<u>\$ 4,238,183</u>	<u>\$ 18,820,621</u>

Year Ending	Other Loan Principal
2018	\$ 200,004
2019	200,004
2020	200,004
2021	200,004
2022	200,004
2023	<u>149,963</u>
Total	<u>\$ 1,149,983</u>

There is \$2,390,235 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$776, based on the 2010 federal census. Total debt per capita, including bonds, other loan, capital leases, and unamortized debt premiums, totaled \$850, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Bonds	Other Loans	Capital Leases
Balance, July 1, 2016	\$ 14,432,969	\$ 2,529,987	\$ 158,038
Additions	1,196,134	0	32,999
Reductions	(1,046,665)	(1,380,004)	(77,450)
Balance, June 30, 2017	<u>\$ 14,582,438</u>	<u>\$ 1,149,983</u>	<u>\$ 113,587</u>
Balance Due Within One Year	<u>\$ 1,101,223</u>	<u>\$ 200,004</u>	<u>\$ 86,597</u>

	Compensated Absences
Balance, July 1, 2016	\$ 26,360
Additions	27,814
Reductions	<u>(28,168)</u>
Balance, June 30, 2017	<u>\$ 26,006</u>
Balance Due Within One Year	<u>\$ 19,505</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 15,872,014
Less: Balance Due Within One Year	(1,407,329)
Add: Unamortized Premium on Debt	<u>113,899</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 14,578,584</u>

Compensated absences will be paid from the employing fund, the Highway/Public Works Fund.

Current Refunding

On December 14, 2016, Haywood County issued \$1,196,134 in school bonds for a current refunding of the \$1,180,000 other loan. As a result, the other loan is considered defeased, and the liability has been removed from the county's long-term debt. Information regarding the comparison of future and prior debt service payments was not available.

## **Haywood County Solid Waste Disposal Fund (enterprise fund)**

### **Capital Leases**

The capital leases outstanding as of June 30, 2017, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-17
Capital Leases	2.49 to 3.2 %	2-8-22	\$ 241,296	\$ 142,578

### **Changes in Long-term Obligations**

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2017, was as follows:

#### Business-type Activities:

	Capital Lease	Postclosure Care Costs
Balance, July 1, 2016	\$ 186,221	\$ 1,763,297
Additions	0	22,347
Reductions	(43,643)	(44,309)
Balance, June 30, 2017	<u>\$ 142,578</u>	<u>\$ 1,741,335</u>
Balance Due Within One Year	<u>\$ 44,913</u>	<u>\$ 44,309</u>

#### Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 1,883,913
Less: Balance Due Within One Year	<u>(89,222)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,794,691</u>

## **Discretely Presented Haywood County School Department**

### **Changes in Long-term Obligations**

Long-term obligations activity for the discretely presented Haywood County School Department for the year ended June 30, 2017, was as follows:

Governmental Activities:

	Other Postemployment Benefits	Net Pension Liability - Teacher Legacy Pension Plan
Balance, July 1, 2016	\$ 648,004	\$ 135,446
Additions	193,902	5,203,250
Reductions	(206,489)	(3,307,286)
Balance, June 30, 2017	<u>\$ 635,417</u>	<u>\$ 2,031,410</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2017	\$ 2,666,827
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,666,827</u>

Other postemployment benefits and the pension liability will be paid from the employing funds: the General Purpose School, School Federal Projects, and Central Cafeteria funds.

**G. On-Behalf Payments - Discretely Presented Haywood County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2017, were \$62,076 and \$46,013, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## V. OTHER INFORMATION

### A. Risk Management

#### Primary Government

##### Employee Health Insurance

It is the policy of the county to purchase commercial insurance for its employees' health coverage. Retirees are not allowed to continue coverage. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

##### Workers' Compensation Insurance

Haywood County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

##### Liability, Property, and Casualty

Haywood County is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

#### Discretely Presented Haywood County School Department

##### Employee Health Insurance

The Haywood County School Department participates in the Local Education Group Insurance Fund (LEGIF), which is a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

## Liability, Property, Casualty, and Workers' Compensation Insurance

The School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

### **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*; Statement No. 77, *Tax Abatement Disclosures*; Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units*; and Statement No. 82, *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73*, became effective for the year ended June 30, 2017.

GASB Statement No. 74, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose external financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 43 and No. 57. It also includes requirements for defined contribution OPEB plans that replace the requirements in Statements No. 25, No. 43, and No. 50. The scope of this statement includes OPEB plans, both defined benefit and defined contribution, administered through trusts meeting the necessary criteria as well as reporting assets accumulated through OPEB plans that are not administered through trusts that meet the specified criteria.

GASB Statement No. 77, establishes reporting requirements for tax abatements. This standard requires the disclosure of information about the nature and magnitude of tax abatement agreements entered into by state and local governments that reduce the government's tax revenues.

GASB Statement No. 78, amends Statement No. 68 to exclude certain pensions provided to employees of state or local governments through a cost-sharing multiple-employer pension plans that are not state or local plans and meet specific other criteria. This statement establishes recognition, measurement, and reporting criteria for these plans.

GASB Statement No. 80, amends the blending requirements of paragraph 53 of Statement No. 14. This standard adds additional blending criterion, which requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 82 amends Statements No. 67, No. 68, and No. 73. This standard establishes covered payroll as the payroll on which contributions to a pension plan are based in the Required Supplementary Information. In addition, this standard clarifies that employer paid member contributions should be considered plan member contributions for purposes of applying Statement No. 67, and employee contributions for the purposes of applying Statement No. 68. This standard further states that an employer's expense and expenditures for employer paid member contributions should be recognized in the period for which the contribution is assessed and classified in the same manner that the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

**C. Contingent Liabilities**

The county and School Department are involved in several pending lawsuits. Management advised that any potential claims not covered by insurance resulting from such litigation should not materially affect the county or School Department's financial statements.

**D. Change in Administration**

On August 31, 2016, Dare Simpson left the Office of Assessor of Property and was succeeded by Gwen Watson.

**E. Landfill Closure/Postclosure Care Costs**

Haywood County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,741,335, reported as postclosure care liability at June 30, 2017, represents amounts based on what it would cost to perform all postclosure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Brownsville - Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's

three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2017, the county provided financial assistance of \$19,395 to the agency.

The Brownsville - Haywood County Rescue Squad is a joint venture between Haywood County and the City of Brownsville. The agency's six-member board includes the county mayor, the mayor of the City of Brownsville, and four other members. The purpose of the rescue squad is to provide assistance in search and rescue, drowning, flooding, evacuations, and road clearing from storms. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the private contributions. During the year ended June 30, 2017, the county contributed \$10,000 to the rescue squad.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County contributed \$50,000 to HTL Advantage during the year.

The Elma Ross Public Library is a joint venture between Haywood County and the City of Brownsville. It is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Haywood County Commission. The remaining three members are appointed by the City of Brownsville. Haywood County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Haywood County contributed \$75,272 to the operations of the library during the year ended June 30, 2017.

Haywood County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Brownsville - Haywood County Emergency Management Agency, Brownsville - Haywood County Rescue Squad, HTL Advantage, and the Elma Ross Public Library can be obtained from their respective administrative offices at the following addresses:



Administrative Offices:

Brownsville – Haywood County  
Emergency Management Agency  
City Hall  
Brownsville, TN 38012

Brownsville – Haywood County  
Rescue Squad  
P.O. Box 668  
111 N. Washington  
Brownsville, TN 38012

HTL Advantage  
1469 South Main Street  
Covington, TN 38019

Elma Ross Public Library  
1011 East Main Street  
Brownsville, TN 38012

**G. Retirement Commitments**

**Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Haywood County and non-certified employees of the discretely presented Haywood County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 55.99 percent and the non-certified employees of the discretely presented School Department comprised 44.01 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit

or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2016, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	211
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	296
Active Employees	<u>347</u>
Total	<u><u>854</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Haywood County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2017, the employer contributions for Haywood County were \$1,207,205 based on a rate of 12.51 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Haywood County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

## Net Pension Liability (Asset)

Haywood County's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	<u>1</u>
Total		<u><u>100 %</u></u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Haywood County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2015	\$ 36,263,125	\$ 36,164,474	\$ 98,651
Changes for the Year:			
Service Cost	\$ 763,961	\$ 0	\$ 763,961
Interest	2,728,270	0	2,728,270
Differences Between Expected and Actual Experience	(1,712,912)	0	(1,712,912)
Contributions-Employer	0	1,148,661	(1,148,661)
Contributions-Employees	0	266	(266)
Net Investment Income	0	956,934	(956,934)
Benefit Payments, Including Refunds of Employee Contributions	(1,300,318)	(1,300,318)	0
Administrative Expense	0	(21,797)	21,797
Net Changes	\$ 479,001	\$ 783,746	\$ (304,745)
Balance, June 30, 2016	\$ 36,742,126	\$ 36,948,220	\$ (206,094)

### Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	55.99%	\$ 20,571,916	\$ 20,687,308	\$ (115,392)
School Department	44.01%	16,170,210	16,260,912	(90,702)
Total		\$ 36,742,126	\$ 36,948,220	\$ (206,094)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.*  
The following presents the net pension liability (asset) of Haywood County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Haywood County	6.5%	7.5%	8.5%

Net Pension Liability (Asset)	\$ 4,424,364	\$ (206,094)	\$ (4,089,561)
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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Expense.* For the year ended June 30, 2017, Haywood County recognized pension expense of \$639,009.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, Haywood County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 379,010	\$ 1,570,489
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,237,990	0
Contributions Subsequent to the Measurement Date of June 30, 2016 (1)	1,207,205	N/A
Total	\$ 2,824,205	\$ 1,570,489

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2016,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and  
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,621,808	\$ 879,317
School Department	<u>1,202,397</u>	<u>691,172</u>
Total	<u>\$ 2,824,205</u>	<u>\$ 1,570,489</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (168,912)
2019	(168,912)
2020	377,136
2021	7,199
2022	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Discretely Presented Haywood County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Haywood County and non-certified employees of the discretely presented Haywood County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 55.99 percent and the non-certified employees of the discretely presented School Department comprised 44.01 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Haywood County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.



*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2017, to the Teacher Retirement Plan were \$72,547, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets).* At June 30, 2017, the Haywood County School Department reported an asset of \$29,896 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Haywood County School Department's proportion of the net pension asset was based on the Haywood County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Haywood County School Department's proportion was .287174 percent. The revised proportion measured as of June 30, 2015, was .395149 percent.

*Pension Expense.* For the year ended June 30, 2017, the Haywood County School Department recognized pension expense of \$25,282.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the Haywood County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,897	\$ 3,447
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,895	0
Changes in proportion of Net Pension Liability (Asset)	3,029	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	72,547	N/A
Total	<u>\$ 83,368</u>	<u>\$ 3,447</u>

The Haywood County School Department's employer contributions of \$72,547, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ 1,463
2019	1,463
2020	1,463
2021	1,229
2022	180
Thereafter	1,576

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	6.46 %	33 %
Developed Market		
International Equity	6.26	17
Emerging Market		
International Equity	6.40	5
Private Equity and		
Strategic Lending	4.61	8
U.S. Fixed Income	0.98	29
Real Estate	4.73	7
Short-term Securities	0.00	1
Total		<u>100 %</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Haywood County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Haywood County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability (Asset)	\$ 14,117	\$ (29,896)	\$ (62,324)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Haywood County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the

change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Haywood County School Department for the year ended June 30, 2017, to the Teacher Legacy Pension Plan were \$1,006,741, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

#### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liability (Assets).* At June 30, 2017, the Haywood County School Department reported a liability of \$2,031,410 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Haywood County School Department's proportion of the net pension liability (asset) was based on the Haywood County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2016, the Haywood County School Department's proportion was .325054 percent. The proportion measured at June 30, 2015, was .330651 percent.

*Pension Expense.* For the year ended June 30, 2017, the Haywood County School Department recognized pension expense of \$226,978.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2017, the Haywood County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 85,489	\$ 2,459,365
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,268,097	0
Changes in Proportion of Net Pension Liability (Asset)	858	59,037
LEA's Contributions Subsequent to the Measurement Date of June 30, 2016	1,006,741	N/A
Total	<u>\$ 3,361,185</u>	<u>\$ 2,518,402</u>

The Haywood County School Department's employer contributions of \$1,006,741 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2018	\$ (392,532)
2019	(392,532)
2020	695,472
2021	94,389
2022	(168,755)
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2016, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:



Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	<u>1</u>
Total		<u><u>100 %</u></u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents Haywood County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Haywood County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability (Asset)	\$ 11,154,823	\$ 2,031,410	\$ (5,526,013)
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*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

## H. **Other Postemployment Benefits (OPEB)**

### **Discretely Presented Haywood County School Department**

#### **Plan Description**

The Haywood County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <https://www.tn.gov/finance/fa/fa-accounting-financial/fa-accfin-cafr.html>.

#### **Funding Policy**

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2017, the School Department contributed \$206,489 for postemployment benefits.

### Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	\$ 194,000
Interest on the NOPEBO	24,300
Adjustment to the ARC	(24,398)
Annual OPEB cost	\$ 193,902
Amount of contribution	(206,489)
Increase/decrease in NOPEBO	\$ (12,587)
Net OPEB obligation, 7-1-16	648,004
Net OPEB obligation, 6-30-17	<u>\$ 635,417</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-15	Local Education Group	\$ 142,655	110%	\$ 621,132
6-30-16	"	187,906	86	648,004
6-30-17	"	193,902	106	635,417

### Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 1,780,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,780,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 14,073,960
UAAL as a % of covered payroll	13%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2015, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of six percent in fiscal year 2017, and then be reduced by decrements to an ultimate rate of 4.645 percent by fiscal year 2050. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 35-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

### **I. Purchasing Laws**

#### Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

#### Office of Chief Administrative Highway Officer

Purchasing procedures for the Highway Department are governed by provisions of Chapter 24, Private Acts of 1991, as amended and Section 54-7-113, *TCA* (Uniform Road Law), which requires all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

#### Office of Director of Schools

Purchasing procedures for the discretely presented School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education,

through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**J. Subsequent Events**

On June 30, 2017, Greg McCarley left the Office of Chief Administrative Highway Officer and was succeeded by Perry Davis on July 17, 2017.

On June 30, 2017, Teresa Russell left the Office of Director of Schools and was succeeded by Joey Hassell on July 1, 2017.

On July 31, 2017, Haywood County entered into a \$51,800 lease-purchase agreement for a garbage truck.

On August 22, 2017, Haywood County issued capital outlay notes totaling \$80,000 for a school bus.

Sheriff Melvin Bond passed away on September 11, 2017, and was succeeded by Billy Garrett, Jr. on November 13, 2017.

On October 13, 2017, Haywood County issued capital outlay notes totaling \$245,000 for energy efficient equipment and lights.

**VI. OTHER NOTES – DISCRETELY PRESENTED HAYWOOD COUNTY UTILITY DISTRICT**

**A. Summary of Significant Accounting Policies**

**1. Reporting Entity**

The Haywood County Utility District was incorporated pursuant to a resolution of the Haywood County Commission dated July 17, 1997, and pursuant to Section 7-82-101, *Tennessee Code Annotated*, also known as “The Utility District Law of 1937.” The district is considered a component unit of Haywood County, Tennessee, because the three-member board is appointed by the county. The district was constructed with grants received through the county and is held accountable to the county.

**2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting

indicates the timing of transactions or events for recognition in the financial statements.

The district's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the district conform to applicable accounting principles generally accepted in the United States of America for governmental units as defined by the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges for sales to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### **3. Assets, Liabilities, and Equity**

#### **a. Deposits and Investments**

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the district to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool.

#### **b. Accounts Receivable**

Trade receivables result from unpaid billings for water service to customers. The billings and collections for the district are prepared and collected by Brownsville Energy Authority. Brownsville Energy Authority remits to the district the entire amount of the billings on a monthly basis. Therefore, an allowance for uncollectible accounts receivable is considered unnecessary at this time as the risk of loss is entirely with Brownsville Energy Authority.

c. **Capital Assets**

Capital assets, which include property, plant, equipment, and construction in process, are defined by the district as assets with an initial, individual cost of more than \$100 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the district are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Distribution Plant	33-50

d. **Compensated Absences**

The district does not have any employees on staff. The district pays a set monthly fee to Brownsville Energy Authority for the use of their employees. Therefore, no compensated absences are recorded.

e. **Long-term Obligations**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds are reported net of the applicable bond premium or discount. The district will continue to report bond cost as an asset and amortize those over the life of the bonds instead of expensing those costs in the current year in accordance with certain provisions included in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This regulatory option as part of GASB Statement No. 65 is available due to the above-mentioned cost being used for rate setting by the district.

**f. Net Position**

Equity is classified as net position and displayed in the following two components:

- 1.) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- 2.) Unrestricted – All other net position that does not meet the description of the above category.

**g. Net Position Flow Assumption**

Sometimes the district will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**B. Stewardship, Compliance, and Accountability**

**Budgetary Information**

The district does not adopt a formal budget.

**C. Detailed Notes**

**1. Deposits and Investments**

Custodial Credit Risk – The district's policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statute requires that all deposits with financial institutions be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificated of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the



United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2017, the district had no risk exposure.

**2. Receivables**

Receivables as of June 30, 2017, consisted of the following:

	<u>Balance 6-30-17</u>
Billed Services for Utility Customers	\$36,310

**3. Capital Assets**

Capital assets activity during the year was as follows:

<u>Description</u>	<u>Balance 7-1-16</u>	<u>Additions</u>	<u>Balance 6-30-17</u>
Capital Assets, Not Depreciated	\$ 18,401	\$ 0	\$ 18,401
Capital Assets, Depreciated	\$ 5,220,215	\$ 0	\$ 5,220,215
Less Accumulated Depreciation	\$ 2,004,319	\$ 122,028	\$ 2,126,347
Total Capital Assets, Depreciated, Net	\$ 3,215,896	\$ (122,028)	\$ 3,093,868
Total Capital Assets, Net	\$ 3,234,297	\$ (122,028)	\$ 3,112,269

**4. Long-term Debt**

Long-term debt is comprised of the following:

	<u>Balance 6-30-17</u>
General Obligation Bonds:	
General Obligation Bonds, Series 1998 interest at 4.875% due serially through 2037	<u>\$ 410,750</u>
Total General Obligation Bonds	<u>\$ 410,750</u>
Total Current Portion of General Obligation Bonds	<u>\$ 12,661</u>
Total Long-term Portion of General Obligation Bonds	<u>\$ 398,089</u>

In the year ended June 30, 1998, Haywood County issued \$560,000 of General Obligation Bonds, Series 1998 to the Rural Utility Services for construction of the district's water distribution system. In the year ended June 30, 1999, Haywood County issued \$72,300 of General Obligation Bonds, Series 1999 to the Rural Utility Services for additional construction for the District's water distribution system. The 1999 General Obligation Bond was paid off in full by the county as of June 30, 2008. Although the General Obligation Bonds, Series 1998 are in the name of the county and the county is ultimately responsible for the debt repayment, the district has agreed to and is repaying the debt.

The following is a summary of long-term debt transactions for the year ended June 30, 2017.

	<u>Bonds</u>
Balance, July 1, 2016	\$ 424,359
Reductions	<u>(13,609)</u>
Balance, June 30, 2017	<u>\$ 410,750</u>
Balance Due Within One Year	<u>\$ 12,661</u>

The scheduled annual requirements for long-term debt at June 30, 2017, are as follows:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 12,661	\$ 19,864	\$ 32,525
2019	13,286	19,239	32,525
2020	13,941	18,584	32,525
2021	14,578	17,946	32,524
2022	15,348	17,176	32,524
2023-2027	88,832	73,792	162,624
2028-2032	113,030	49,594	162,624
2033-2037	139,074	18,806	157,880
Total	\$ 410,750	\$ 235,001	\$ 645,751

**5. Net Position**

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources (if present). The net position amounts were as follows:

	Balance 6-30-17
Net Investment in Capital Assets:	
Net Property, Plant and Equipment in Services	\$ 3,112,269
Less: Debt Disclosed in Note VI.C.4.	(410,750)
	\$ 2,701,519
Unrestricted	495,141
Total Net Position	\$ 3,196,660

**D. Other Information**

**1. Risk Management**

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2017, the district did not purchase any insurance. The district contracts with Brownsville Energy Authority for services necessary to operate and maintain the district. No settled claims have been incurred in any of the above-mentioned risk categories during the past three years, and there has been no significant reduction in the coverage provided.

**2.     Credit Risk**

The district provided water services for residents and commercial customers in a portion of Haywood County, Tennessee.

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## REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit F-1

Haywood County, Tennessee  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	2014	2015	2016
<b>Total Pension Liability</b>			
Service Cost	\$ 737,120	\$ 773,505	\$ 763,961
Interest	2,403,909	2,526,922	2,728,270
Differences Between Actual and Expected Experience	(400,316)	631,682	(1,712,912)
Benefit Payments, Including Refunds of Employee Contributions	(1,098,340)	(1,175,533)	(1,300,318)
Net Change in Total Pension Liability	\$ 1,642,373	\$ 2,756,576	\$ 479,001
Total Pension Liability, Beginning	31,864,176	33,506,549	36,263,125
Total Pension Liability, Ending (a)	\$ 33,506,549	\$ 36,263,125	\$ 36,742,126
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,106,526	\$ 1,148,081	\$ 1,148,661
Contributions - Employee	365	4,712	266
Net Investment Income	4,990,442	1,081,152	956,934
Benefit Payments, Including Refunds of Employee Contributions	(1,098,340)	(1,175,533)	(1,300,318)
Administrative Expense	(14,541)	(17,390)	(21,797)
Net Change in Plan Fiduciary Net Position	\$ 4,984,452	\$ 1,041,022	\$ 783,746
Plan Fiduciary Net Position, Beginning	30,139,000	35,123,452	36,164,474
Plan Fiduciary Net Position, Ending (b)	\$ 35,123,452	\$ 36,164,474	\$ 36,948,220
Net Pension Liability (Asset), Ending (a - b)	\$ (1,616,903)	\$ 98,651	\$ (206,094)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.83%	99.73%	100.56%
Covered Payroll	\$ 9,228,853	\$ 9,363,104	\$ 9,369,174
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(17.52)%	1.05%	(2.2)%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit F-2

Haywood County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 1,106,526	\$ 1,148,081	\$ 1,148,661	\$ 1,183,080
Less Contributions in Relation to the				
Actuarially Determined Contribution	(1,106,526)	(1,148,081)	(1,148,661)	(1,207,205)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (24,125)
Covered Payroll	\$ 9,228,853	\$ 9,363,104	\$ 9,369,174	\$ 9,649,920
Contributions as a Percentage of Covered Payroll	11.99%	12.26%	12.26%	12.51%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and non-certified employees of the discretely presented School Department.

Exhibit F-3

Haywood County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Retirement Plan of TCRS  
Discretely Presented Haywood County School Department  
For the Fiscal Year Ended June 30

	2015	2016	2017
Contractually Required Contribution	\$ 33,533	\$ 50,543	\$ 72,547
Less Contributions in Relation to the Contractually Required Contribution	(33,533)	(50,543)	(72,547)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 838,318	\$ 1,263,579	\$ 1,813,675
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%

Note: ten years of data will be presented when available.



Exhibit F-4

Haywood County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Legacy Pension Plan of TCRS  
Discretely Presented Haywood County School Department  
For the Fiscal Year Ended June 30

	2014	2015	2016	2017
Contractually Required Contribution	\$ 1,152,098	\$ 1,118,964	\$ 1,060,737	\$ 1,006,741
Less Contributions in Relation to the				
Contractually Required Contribution	(1,152,098)	(1,118,964)	(1,060,737)	(1,006,741)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 12,974,081	\$ 12,377,932	\$ 11,733,832	\$ 11,136,515
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%

Note: ten years of data will be presented when available.

Haywood County, Tennessee  
Schedule of Proportionate Share of the Net Pension Asset  
in the Teacher Retirement Plan of TCRS  
Discretely Presented Haywood County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.395149%	0.287174%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (16,232)	\$ (29,896)
Covered Payroll	\$ 838,318	\$ 1,263,579
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94%)	(2.37%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-6

Haywood County, Tennessee  
Schedule of Proportionate Share of the Net Pension Asset  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Haywood County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2015</u>	<u>2016</u>	<u>2017</u>
School Department's Proportion of the Net Pension Liability/Asset	0.330551%	0.330651%	0.325054%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (53,713)	\$ 135,446	\$ 2,031,410
Covered Payroll	\$ 12,974,081	\$ 12,377,932	\$ 11,733,832
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-7

Haywood County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Haywood County School Department  
June 30, 2017

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-11	\$ 0	\$ 2,170	\$ 2,170	0 %	\$ 13,078	17 %
"	7-1-13	0	1,303	1,303	0	12,989	10
"	7-1-15	0	1,780	1,780	0	14,074	13

**HAYWOOD COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2017**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2017 were calculated based on the July 1, 2015, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation,
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.5 percent

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Haywood County's garbage collection operations.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

# Nonmajor Governmental Funds (cont.)

## Capital Projects Funds

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Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues received from public works grants provided for community development projects.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for revenues received from grants provided for housing projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for revenues provided for an industrial park project.



Exhibit G-1

Haywood County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>ASSETS</u>						
Cash	\$ 1,000	\$ 0	\$ 44,949	\$ 45,949	\$ 0	\$ 0
Equity in Pooled Cash and Investments	72,669	82,528	0	155,197	68,317	39,449
Accounts Receivable	9,406	0	0	9,406	0	0
Due from Other Governments	0	0	0	0	0	1,574
Due from Other Funds	76	0	0	76	0	0
Total Assets	<u>\$ 83,151</u>	<u>\$ 82,528</u>	<u>\$ 44,949</u>	<u>\$ 210,628</u>	<u>\$ 68,317</u>	<u>\$ 41,023</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 17,934	\$ 0	\$ 0	\$ 17,934	\$ 17,800	\$ 2,000
Payroll Deductions Payable	1,812	0	0	1,812	0	0
Due to Other Funds	250	0	9,476	9,726	0	0
Due to State of Tennessee	199	0	0	199	0	0
Total Liabilities	<u>\$ 20,195</u>	<u>\$ 0</u>	<u>\$ 9,476</u>	<u>\$ 29,671</u>	<u>\$ 17,800</u>	<u>\$ 2,000</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,574
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,574</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 82,528	\$ 0	\$ 82,528	\$ 0	\$ 0

(Continued)

Exhibit G-1

Haywood County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>FUND BALANCES (Cont.)</u>						
Restricted (Cont.):						
Restricted for Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,771	\$ 37,449
Restricted for Other Purposes	0	0	0	0	0	0
Committed:						
Committed for Finance	0	0	35,473	35,473	0	0
Committed for Public Health and Welfare	62,956	0	0	62,956	0	0
Committed for Capital Outlay	0	0	0	0	0	0
Committed for Capital Projects	0	0	0	0	34,746	0
Total Fund Balances	<u>\$ 62,956</u>	<u>\$ 82,528</u>	<u>\$ 35,473</u>	<u>\$ 180,957</u>	<u>\$ 50,517</u>	<u>\$ 37,449</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 83,151</u>	<u>\$ 82,528</u>	<u>\$ 44,949</u>	<u>\$ 210,628</u>	<u>\$ 68,317</u>	<u>\$ 41,023</u>

(Continued)

## Exhibit G-1

Haywood County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	HUD Grant Projects	Other Capital Projects	Total	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 45,949
Equity in Pooled Cash and Investments	3,003	13,906	124,675	279,872
Accounts Receivable	0	0	0	9,406
Due from Other Governments	0	0	1,574	1,574
Due from Other Funds	0	0	0	76
Total Assets	\$ 3,003	\$ 13,906	\$ 126,249	\$ 336,877
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 19,800	\$ 37,734
Payroll Deductions Payable	0	0	0	1,812
Due to Other Funds	0	0	0	9,726
Due to State of Tennessee	0	0	0	199
Total Liabilities	\$ 0	\$ 0	\$ 19,800	\$ 49,471
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 1,574	\$ 1,574
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 1,574	\$ 1,574
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 82,528

(Continued)

Exhibit G-1

Haywood County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds (Cont.)

FUND BALANCES (Cont.)

Restricted (Cont.):

Restricted for Capital Projects

Restricted for Other Purposes

Committed:

Committed for Finance

Committed for Public Health and Welfare

Committed for Capital Outlay

Committed for Capital Projects

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
HUD Grant Projects	Other Capital Projects	Total	
\$ 0	\$ 0	\$ 53,220	\$ 53,220
3,003	0	3,003	3,003
0	0	0	35,473
0	0	0	62,956
0	13,906	13,906	13,906
0	0	34,746	34,746
<u>\$ 3,003</u>	<u>\$ 13,906</u>	<u>\$ 104,875</u>	<u>\$ 285,832</u>
<u>\$ 3,003</u>	<u>\$ 13,906</u>	<u>\$ 126,249</u>	<u>\$ 336,877</u>

Exhibit G-2

Haywood County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0	\$ 144,447	\$ 0	\$ 144,447	\$ 0	\$ 0
Charges for Current Services	623,303	0	194,880	818,183	0	0
Other Local Revenues	155	0	0	155	381	0
State of Tennessee	40,317	0	0	40,317	0	10,000
Federal Government	0	0	0	0	0	53,081
Other Governments and Citizens Groups	0	0	0	0	0	13,200
Total Revenues	\$ 663,775	\$ 144,447	\$ 194,880	\$ 1,003,102	\$ 381	\$ 76,281
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 185,950	\$ 185,950	\$ 0	\$ 0
Public Safety	0	77,460	0	77,460	0	0
Public Health and Welfare	399,815	0	0	399,815	0	0
Other Operations	61,691	0	0	61,691	0	0
Capital Projects	0	0	0	0	32,272	73,100
Total Expenditures	\$ 461,506	\$ 77,460	\$ 185,950	\$ 724,916	\$ 32,272	\$ 73,100
Excess (Deficiency) of Revenues Over Expenditures	\$ 202,269	\$ 66,987	\$ 8,930	\$ 278,186	\$ (31,891)	\$ 3,181
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,365	\$ 0
Transfers In	0	0	0	0	0	39,000
Transfers Out	(230,000)	0	0	(230,000)	0	0
Total Other Financing Sources (Uses)	\$ (230,000)	\$ 0	\$ 0	\$ (230,000)	\$ 34,365	\$ 39,000
Net Change in Fund Balances	\$ (27,731)	\$ 66,987	\$ 8,930	\$ 48,186	\$ 2,474	\$ 42,181
Fund Balance, July 1, 2016	90,687	15,541	26,543	132,771	48,043	(4,732)
Fund Balance, June 30, 2017	\$ 62,956	\$ 82,528	\$ 35,473	\$ 180,957	\$ 50,517	\$ 37,449

Exhibit G-2

Haywood County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	HUD Grant Projects	Other Capital Projects	Total	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 144,447
Charges for Current Services	0	0	0	818,183
Other Local Revenues	0	25,074	25,455	25,610
State of Tennessee	0	0	10,000	50,317
Federal Government	0	0	53,081	53,081
Other Governments and Citizens Groups	0	0	13,200	13,200
Total Revenues	\$ 0	\$ 25,074	\$ 101,736	\$ 1,104,838
<u>Expenditures</u>				
Current:				
Finance	\$ 0	\$ 0	\$ 0	\$ 185,950
Public Safety	0	0	0	77,460
Public Health and Welfare	0	0	0	399,815
Other Operations	0	0	0	61,691
Capital Projects	0	34,274	139,646	139,646
Total Expenditures	\$ 0	\$ 34,274	\$ 139,646	\$ 864,562
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (9,200)	\$ (37,910)	\$ 240,276
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 34,365	\$ 34,365
Transfers In	0	0	39,000	39,000
Transfers Out	0	(39,000)	(39,000)	(269,000)
Total Other Financing Sources (Uses)	\$ 0	\$ (39,000)	\$ 34,365	\$ (195,635)
Net Change in Fund Balances	\$ 0	\$ (48,200)	\$ (3,545)	\$ 44,641
Fund Balance, July 1, 2016	3,003	62,106	108,420	241,191
Fund Balance, June 30, 2017	\$ 3,003	\$ 13,906	\$ 104,875	\$ 285,832

## Exhibit G-3

Haywood County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 623,303	\$ 640,000	\$ 640,000	\$ (16,697)
Other Local Revenues	155	0	0	155
State of Tennessee	40,317	35,100	35,100	5,217
Total Revenues	<u>\$ 663,775</u>	<u>\$ 675,100</u>	<u>\$ 675,100</u>	<u>\$ (11,325)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 399,815	\$ 337,796	\$ 448,796	\$ 48,981
<u>Other Operations</u>				
Other Charges	19,715	28,900	28,900	9,185
Employee Benefits	41,976	54,430	54,430	12,454
Total Expenditures	<u>\$ 461,506</u>	<u>\$ 421,126</u>	<u>\$ 532,126</u>	<u>\$ 70,620</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 202,269</u>	<u>\$ 253,974</u>	<u>\$ 142,974</u>	<u>\$ 59,295</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (230,000)	\$ (230,000)	\$ (230,000)	\$ 0
Total Other Financing Sources	<u>\$ (230,000)</u>	<u>\$ (230,000)</u>	<u>\$ (230,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (27,731)	\$ 23,974	\$ (87,026)	\$ 59,295
Fund Balance, July 1, 2016	90,687	92,547	92,547	(1,860)
Fund Balance, June 30, 2017	<u><u>\$ 62,956</u></u>	<u><u>\$ 116,521</u></u>	<u><u>\$ 5,521</u></u>	<u><u>\$ 57,435</u></u>

## Exhibit G-4

Haywood County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 144,447	\$ 51,813	\$ 51,813	\$ 92,634
Total Revenues	\$ 144,447	\$ 51,813	\$ 51,813	\$ 92,634
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 77,460	\$ 51,813	\$ 88,813	\$ 11,353
Total Expenditures	\$ 77,460	\$ 51,813	\$ 88,813	\$ 11,353
Excess (Deficiency) of Revenues Over Expenditures	\$ 66,987	\$ 0	\$ (37,000)	\$ 103,987
Net Change in Fund Balance	\$ 66,987	\$ 0	\$ (37,000)	\$ 103,987
Fund Balance, July 1, 2016	15,541	15,542	15,542	(1)
Fund Balance, June 30, 2017	\$ 82,528	\$ 15,542	\$ (21,458)	\$ 103,986



# **Major Governmental Fund**

## **General Debt Service Fund**

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The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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Exhibit H

Haywood County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,533,241	\$ 1,452,410	\$ 1,452,410	\$ 80,831
Other Local Revenues	89,131	92,525	92,525	(3,394)
State of Tennessee	57,019	60,000	60,000	(2,981)
Federal Government	95,734	95,425	95,425	309
Other Governments and Citizens Groups	50,000	50,000	50,000	0
Total Revenues	\$ 1,825,125	\$ 1,750,360	\$ 1,750,360	\$ 74,765
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,124,115	\$ 1,402,001	\$ 1,252,462	\$ 128,347
Education	200,004	0	200,004	0
<u>Interest on Debt</u>				
General Government	539,919	572,887	540,492	573
Education	6,430	0	6,430	0
<u>Other Debt Service</u>				
General Government	30,247	33,900	33,861	3,614
Education	97,673	0	101,539	3,866
Total Expenditures	\$ 1,998,388	\$ 2,008,788	\$ 2,134,788	\$ 136,400
Excess (Deficiency) of Revenues Over Expenditures	\$ (173,263)	\$ (258,428)	\$ (384,428)	\$ 211,165
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 1,196,134	0	\$ 1,196,134	0
Payments to Refunded Debt Escrow Agent	(1,180,000)	0	(1,180,000)	0
Total Other Financing Sources	\$ 16,134	0	\$ 16,134	0
Net Change in Fund Balance	\$ (157,129)	\$ (258,428)	\$ (368,294)	\$ 211,165
Fund Balance, July 1, 2016	2,547,364	2,433,979	2,433,979	113,385
Fund Balance, June 30, 2017	\$ 2,390,235	\$ 2,175,551	\$ 2,065,685	\$ 324,550

# Fiduciary Funds

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Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Joint Venture Fund – The Joint Venture Fund is used to account for funding received primarily from Haywood County and the City of Brownsville for an emergency management agency.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Haywood County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2017

	Agency Funds			
	Cities - Sales Tax	Joint Venture	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 452,697	\$ 452,697
Equity in Pooled Cash and Investments	0	30,503	0	30,503
Accounts Receivable	0	0	7,521	7,521
Due from Other Governments	286,608	4,652	0	291,260
Total Assets	<u>\$ 286,608</u>	<u>\$ 35,155</u>	<u>\$ 460,218</u>	<u>\$ 781,981</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 3,394	\$ 0	\$ 3,394
Payroll Deductions Payable	0	282	0	282
Due to Other Taxing Units	286,608	0	0	286,608
Due to Litigants, Heirs, and Others	0	0	460,218	460,218
Due to Joint Venture	0	31,479	0	31,479
Total Liabilities	<u>\$ 286,608</u>	<u>\$ 35,155</u>	<u>\$ 460,218</u>	<u>\$ 781,981</u>

## Exhibit I-2

Haywood County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency FundsFor the Year Ended June 30, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,668,064	\$ 1,668,064	\$ 0
Due from Other Governments	274,647	286,608	274,647	286,608
Total Assets	\$ 274,647	\$ 1,954,672	\$ 1,942,711	\$ 286,608
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 274,647	\$ 1,954,672	\$ 1,942,711	\$ 286,608
Total Liabilities	\$ 274,647	\$ 1,954,672	\$ 1,942,711	\$ 286,608
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 15,166	\$ 92,001	\$ 76,664	\$ 30,503
Due from Other Governments	4,621	4,652	4,621	4,652
Total Assets	\$ 19,787	\$ 96,653	\$ 81,285	\$ 35,155
<u>Liabilities</u>				
Accounts Payable	\$ 600	\$ 3,394	\$ 600	\$ 3,394
Payroll Deductions Payable	300	282	300	282
Due to Joint Venture	18,887	92,977	80,385	31,479
Total Liabilities	\$ 19,787	\$ 96,653	\$ 81,285	\$ 35,155
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 465,211	\$ 5,502,828	\$ 5,515,342	\$ 452,697
Accounts Receivable	5,268	7,521	5,268	7,521
Total Assets	\$ 470,479	\$ 5,510,349	\$ 5,520,610	\$ 460,218
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 470,479	\$ 5,510,349	\$ 5,520,610	\$ 460,218
Total Liabilities	\$ 470,479	\$ 5,510,349	\$ 5,520,610	\$ 460,218

(Continued)

## Exhibit I-2

Haywood County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 465,211	\$ 5,502,828	\$ 5,515,342	\$ 452,697
Equity in Pooled Cash and Investments	15,166	1,760,065	1,744,728	30,503
Accounts Receivable	5,268	7,521	5,268	7,521
Due from Other Governments	279,268	291,260	279,268	291,260
Total Assets	<u>\$ 764,913</u>	<u>\$ 7,561,674</u>	<u>\$ 7,544,606</u>	<u>\$ 781,981</u>
<u>Liabilities</u>				
Accounts Payable	\$ 600	\$ 3,394	\$ 600	\$ 3,394
Payroll Deductions Payable	300	282	300	282
Due to Other Taxing Units	274,647	1,954,672	1,942,711	286,608
Due to Litigants, Heirs, and Others	470,479	5,510,349	5,520,610	460,218
Due to Joint Ventures	18,887	92,977	80,385	31,479
Total Liabilities	<u>\$ 764,913</u>	<u>\$ 7,561,674</u>	<u>\$ 7,544,606</u>	<u>\$ 781,981</u>

# Haywood County School Department

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This section presents combining and individual fund financial statements for the Haywood County School Department, a discretely presented component unit. The School Department uses a General Fund, and two Special Revenue Funds.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Exhibit J-1

Haywood County, Tennessee  
Statement of Activities  
Discretely Presented Haywood County School Department  
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 15,313,248	\$ 35,514	\$ 2,665,432	\$ 0	\$ (12,612,302)
Support Services	10,063,393	0	807,101	80,000	(9,176,292)
Operation of Non-instructional Services	2,894,453	65,277	2,949,824	0	120,648
Total Governmental Activities	\$ 28,271,094	\$ 100,791	\$ 6,422,357	\$ 80,000	\$ (21,667,946)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,872,521
Local Option Sales Taxes					1,785,914
Wheel Tax					280,238
Other Local Taxes					45,916
Grants and Contributions Not Restricted to Specific Programs					16,955,600
Miscellaneous					17,511
Total General Revenues					\$ 22,957,700
Change in Net Position					\$ 1,289,754
Net Position, July 1, 2016					16,862,516
Net Position, June 30, 2017					\$ 18,152,270



Exhibit J-2

Haywood County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Haywood County School Department  
June 30, 2017

	Major Funds		Nonmajor Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Governmental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 4,215,656	\$ 415,723	\$ 590,274	\$ 5,221,653
Accounts Receivable	65,424	0	0	65,424
Due from Other Governments	356,186	260,695	56,483	673,364
Due from Other Funds	400,000	0	0	400,000
Due from Primary Government	80,000	0	0	80,000
Property Taxes Receivable	3,860,508	0	0	3,860,508
Allowance for Uncollectible Property Taxes	(109,369)	0	0	(109,369)
Total Assets	\$ 8,868,405	\$ 676,418	\$ 646,757	\$ 10,191,580
<u>LIABILITIES</u>				
Accounts Payable	\$ 45,172	\$ 11,336	\$ 0	\$ 56,508
Payroll Deductions Payable	623,143	62,158	17,105	702,406
Due to Other Funds	0	400,000	0	400,000
Total Liabilities	\$ 668,315	\$ 473,494	\$ 17,105	\$ 1,158,914
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 3,487,384	\$ 0	\$ 0	\$ 3,487,384
Deferred Delinquent Property Taxes	224,591	0	0	224,591
Other Deferred/Unavailable Revenue	145,917	0	0	145,917
Total Deferred Inflows of Resources	\$ 3,857,892	\$ 0	\$ 0	\$ 3,857,892

(Continued)

Exhibit J-2

Haywood County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Haywood County School Department (Cont.)

	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Total Governmental Funds</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 746,840	\$ 2,924	\$ 0	\$ 749,764
Restricted for Operation of Non-instructional Services	0	0	629,652	629,652
Committed:				
Committed for Education	395,043	0	0	395,043
Assigned:				
Assigned for Education	46,672	200,000	0	246,672
Assigned for Support Services	3,448	0	0	3,448
Unassigned	3,150,195	0	0	3,150,195
Total Fund Balances	<u>\$ 4,342,198</u>	<u>\$ 202,924</u>	<u>\$ 629,652</u>	<u>\$ 5,174,774</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,868,405</u>	<u>\$ 676,418</u>	<u>\$ 646,757</u>	<u>\$ 10,191,580</u>

Exhibit J-3

Haywood County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
Discretely Presented Haywood County School Department  
June 30, 2017

Amounts reported for governmental activities in the statement of net position  
(Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 5,174,774
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 143,868	
Add: buildings and improvements net of accumulated depreciation	12,302,829	
Add: other capital assets net of accumulated depreciation	<u>1,272,591</u>	13,719,288
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	\$ (635,417)	
Less: net pension liability - teacher legacy pension plan	<u>(2,031,410)</u>	(2,666,827)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 4,646,950	
Less: deferred inflows of resources related to pensions	<u>(3,213,021)</u>	1,433,929
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 90,702	
Add: net pension asset - teacher retirement plan	<u>29,896</u>	120,598
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>370,508</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 18,152,270</u></u>

## Exhibit J-4

Haywood County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Haywood County School Department  
For the Year Ended June 30, 2017

	Major Funds		Nonmajor Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 6,149,293	\$ 0	\$ 0	\$ 6,149,293
Licenses and Permits	902	0	0	902
Charges for Current Services	35,514	0	65,277	100,791
Other Local Revenues	162,505	0	901	163,406
State of Tennessee	17,755,779	0	18,635	17,774,414
Federal Government	120,962	3,282,669	1,914,201	5,317,832
Other Governments and Citizens Groups	80,000	0	0	80,000
Total Revenues	\$ 24,304,955	\$ 3,282,669	\$ 1,999,014	\$ 29,586,638
<u>Expenditures</u>				
Current:				
Instruction	\$ 13,005,552	\$ 2,265,399	\$ 0	\$ 15,270,951
Support Services	9,729,339	591,582	0	10,320,921
Operation of Non-Instructional Services	588,712	381,621	1,919,627	2,889,960
Debt Service:				
Other Debt Service	50,000	0	0	50,000
Total Expenditures	\$ 23,373,603	\$ 3,238,602	\$ 1,919,627	\$ 28,531,832
Excess (Deficiency) of Revenues Over Expenditures	\$ 931,352	\$ 44,067	\$ 79,387	\$ 1,054,806
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 18,518	\$ 0	\$ 0	\$ 18,518
Transfers In	40,779	0	0	40,779
Transfers Out	0	(40,779)	0	(40,779)
Total Other Financing Sources (Uses)	\$ 59,297	\$ (40,779)	\$ 0	\$ 18,518
Net Change in Fund Balances	\$ 990,649	\$ 3,288	\$ 79,387	\$ 1,073,324
Fund Balance, July 1, 2016	3,351,549	199,636	550,265	4,101,450
Fund Balance, June 30, 2017	\$ 4,342,198	\$ 202,924	\$ 629,652	\$ 5,174,774

Exhibit J-5

Haywood County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Haywood County School Department  
For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 1,073,324
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 338,632	
Less: current-year depreciation expense	<u>(1,147,974)</u>	(809,342)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2017	\$ 370,508	
Less: deferred delinquent property taxes and other deferred June 30, 2016	<u>(396,298)</u>	(25,790)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability	\$ 12,587	
Change in net pension asset - agent plan	132,777	
Change in net pension asset - teacher retirement plan	13,664	
Change in net pension liability - teacher legacy pension plan	(1,895,964)	
Change in deferred outflows related to pensions	2,711,008	
Change in deferred inflows related to pensions	<u>77,490</u>	<u>1,051,562</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,289,754</u>

Exhibit J-6

Haywood County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Haywood County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 6,149,293	\$ 0	\$ 0	\$ 6,149,293	\$ 6,098,754	\$ 6,017,068	\$ 132,225
Licenses and Permits	902	0	0	902	941	941	(39)
Charges for Current Services	35,514	0	0	35,514	34,603	34,603	911
Other Local Revenues	162,505	0	0	162,505	140,510	179,533	(17,028)
State of Tennessee	17,755,779	0	0	17,755,779	17,515,289	17,727,494	28,285
Federal Government	120,962	0	0	120,962	82,805	82,805	38,157
Other Governments and Citizens Groups	80,000	0	0	80,000	160,000	160,000	(80,000)
Total Revenues	\$ 24,304,955	\$ 0	\$ 0	\$ 24,304,955	\$ 24,032,902	\$ 24,202,444	\$ 102,511
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,054,845	\$ 0	\$ 400	\$ 10,055,245	\$ 10,324,897	\$ 10,336,301	\$ 281,056
Alternative Instruction Program	572,819	0	0	572,819	579,181	579,181	6,362
Special Education Program	1,747,557	(4,585)	23,896	1,766,868	1,838,509	1,843,009	76,141
Career and Technical Education Program	630,331	0	0	630,331	659,798	659,798	29,467
<u>Support Services</u>							
Attendance	119,920	0	589	120,509	129,063	129,063	8,554
Health Services	192,845	0	0	192,845	194,621	194,620	1,775
Other Student Support	686,599	0	0	686,599	785,518	802,948	116,349
Regular Instruction Program	989,037	0	0	989,037	1,028,248	1,028,248	39,211
Alternative Instruction Program	16,323	0	0	16,323	16,500	16,500	177
Special Education Program	371,779	(3,552)	0	368,227	378,496	378,496	10,269
Career and Technical Education Program	134,402	0	0	134,402	138,106	138,106	3,704
Technology	256,561	0	4,400	260,961	0	267,333	6,372
Other Programs	108,089	0	0	108,089	0	108,089	0
Board of Education	515,684	0	0	515,684	529,270	529,270	13,586
Director of Schools	314,336	0	0	314,336	318,721	318,721	4,385
Office of the Principal	1,410,818	0	0	1,410,818	1,437,492	1,437,492	26,674
Fiscal Services	336,348	0	0	336,348	355,877	355,877	19,529

(Continued)

Exhibit J-6

Haywood County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Haywood County School Department  
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2016	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 1,534,147	\$ (2,244)	\$ 0	\$ 1,531,903	\$ 1,509,702	\$ 1,536,702	\$ 4,799
Maintenance of Plant	725,086	0	7,467	732,553	802,405	802,405	69,852
Transportation	2,017,365	(10,041)	9,476	2,016,800	2,128,916	2,134,536	117,736
Central and Other	0	0	0	0	267,333	0	0
<u>Operation of Non-Instructional Services</u>							
Food Service	240	0	0	240	250	250	10
Early Childhood Education	588,472	0	444	588,916	588,915	588,915	(1)
<u>Principal on Debt</u>							
Education	0	0	0	0	100,000	0	0
<u>Other Debt Service</u>							
Education	50,000	0	0	50,000	0	100,000	50,000
Total Expenditures	\$ 23,373,603	\$ (20,422)	\$ 46,672	\$ 23,399,853	\$ 24,111,818	\$ 24,285,860	\$ 886,007
Excess (Deficiency) of Revenues Over Expenditures	\$ 931,352	\$ 20,422	\$ (46,672)	\$ 905,102	\$ (78,916)	\$ (83,416)	\$ 988,518
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 18,518	\$ 0	\$ 0	\$ 18,518	\$ 0	\$ 0	\$ 18,518
Transfers In	40,779	0	0	40,779	65,437	65,437	(24,658)
Total Other Financing Sources	\$ 59,297	\$ 0	\$ 0	\$ 59,297	\$ 65,437	\$ 65,437	\$ (6,140)
Net Change in Fund Balance	\$ 990,649	\$ 20,422	\$ (46,672)	\$ 964,399	\$ (13,479)	\$ (17,979)	\$ 982,378
Fund Balance, July 1, 2016	3,351,549	(20,422)	0	3,331,127	3,609,376	3,609,376	(278,249)
Fund Balance, June 30, 2017	\$ 4,342,198	\$ 0	\$ (46,672)	\$ 4,295,526	\$ 3,595,897	\$ 3,591,397	\$ 704,129

Exhibit J-7

Haywood County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Haywood County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2017

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 3,282,669	\$ 0	\$ 3,282,669	\$ 2,191,934	\$ 3,421,149	\$ (138,480)
Total Revenues	\$ 3,282,669	\$ 0	\$ 3,282,669	\$ 2,191,934	\$ 3,421,149	\$ (138,480)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,623,955	\$ 0	\$ 1,623,955	\$ 1,126,373	\$ 1,697,523	\$ 73,568
Special Education Program	600,375	0	600,375	637,870	600,387	12
Career and Technical Education Program	41,069	0	41,069	38,557	41,465	396
<u>Support Services</u>						
Other Student Support	149,398	0	149,398	152,357	161,057	11,659
Regular Instruction Program	294,473	0	294,473	106,285	347,245	52,772
Special Education Program	145,211	2,489	147,700	96,050	148,571	871
Career and Technical Education Program	2,500	0	2,500	2,500	2,500	0
<u>Operation of Non-Instructional Services</u>						
Community Services	381,621	0	381,621	0	381,621	0
Total Expenditures	\$ 3,238,602	\$ 2,489	\$ 3,241,091	\$ 2,159,992	\$ 3,380,369	\$ 139,278
Excess (Deficiency) of Revenues Over Expenditures	\$ 44,067	\$ (2,489)	\$ 41,578	\$ 31,942	\$ 40,780	\$ 798
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (40,779)	\$ 0	\$ (40,779)	\$ (31,942)	\$ (40,779)	\$ 0
Total Other Financing Sources	\$ (40,779)	\$ 0	\$ (40,779)	\$ (31,942)	\$ (40,779)	\$ 0
Net Change in Fund Balance	\$ 3,288	\$ (2,489)	\$ 799	\$ 0	\$ 1	\$ 798
Fund Balance, July 1, 2016	199,636	0	199,636	550,262	550,262	(350,626)
Fund Balance, June 30, 2017	\$ 202,924	\$ (2,489)	\$ 200,435	\$ 550,262	\$ 550,263	\$ (349,828)



## Exhibit J-8

Haywood County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Haywood County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2017

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 65,277	\$ 240,000	\$ 240,000	\$ (174,723)
Other Local Revenues	901	1,000	1,000	(99)
State of Tennessee	18,635	24,000	24,000	(5,365)
Federal Government	1,914,201	1,918,318	1,918,318	(4,117)
Total Revenues	<u>\$ 1,999,014</u>	<u>\$ 2,183,318</u>	<u>\$ 2,183,318</u>	<u>\$ (184,304)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,919,627	\$ 2,183,318	\$ 2,183,318	\$ 263,691
Total Expenditures	<u>\$ 1,919,627</u>	<u>\$ 2,183,318</u>	<u>\$ 2,183,318</u>	<u>\$ 263,691</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 79,387</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 79,387</u>
Net Change in Fund Balance	\$ 79,387	\$ 0	\$ 0	\$ 79,387
Fund Balance, July 1, 2016	<u>550,265</u>	<u>550,262</u>	<u>550,262</u>	<u>3</u>
Fund Balance, June 30, 2017	<u><u>\$ 629,652</u></u>	<u><u>\$ 550,262</u></u>	<u><u>\$ 550,262</u></u>	<u><u>\$ 79,390</u></u>

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Haywood County, Tennessee  
Schedule of Changes in Long-term Capital Leases, Other Loans, and Bonds  
For the Year Ended June 30, 2017

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-16	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6-30-17
<u>GOVERNMENTAL ACTIVITIES</u>										
<u>CAPITAL LEASES PAYABLE</u>										
<u>Payable through General Fund</u>										
Tractor	\$ 32,999	4.69	%	10-3-16	10-3-21	\$ 0	\$ 32,999	\$ 0	\$ 0	\$ 32,999
<u>Payable through General Debt Service Fund</u>										
Ambulance and Defibrillators	241,726	4.05		12-9-15	12-15-17	158,038	0	77,450	0	80,588
Total Capital Leases Payable						\$ 158,038	\$ 32,999	\$ 77,450	\$ 0	\$ 113,587
<u>OTHER LOANS PAYABLE</u>										
<u>Payable through General Debt Service Fund</u>										
Energy Efficient School Initiative	2,000,000	0		9-8-11	4-1-23	\$ 1,349,987	\$ 0	\$ 200,004	\$ 0	\$ 1,149,983
Haywood High School Renovations	1,509,000	Variable		12-15-11	12-14-16	1,180,000	0	0	1,180,000	0
Total Other Loans Payable						\$ 2,529,987	\$ 0	\$ 200,004	\$ 1,180,000	\$ 1,149,983
<u>BONDS PAYABLE</u>										
<u>Payable through General Debt Service Fund</u>										
Waterline (USDA Rural Development)	560,000	4.875		2-5-1998	2-5-37	\$ 424,359	\$ 0	\$ 13,609	\$ 0	\$ 410,750
General Obligation 2008	4,425,000	3.625 to 4.3		12-23-08	6-1-18	1,100,000	0	525,000	0	575,000
General Obligation 2009	300,000	4.5		6-30-09	6-28-24	183,610	0	19,922	0	163,688
General Obligation 2010	5,575,000	4.75 to 5.55		3-10-10	6-1-30	5,575,000	0	0	0	5,575,000
General Obligation Refunding, Series 2015	7,225,000	2 to 2.65		5-29-15	6-30-28	7,150,000	0	400,000	0	6,750,000
School Refunding, Series 2016	1,196,134	2.95		12-14-16	6-1-27	0	1,196,134	88,134	0	1,108,000
Total Bonds Payable						\$ 14,432,969	\$ 1,196,134	\$ 1,046,665	\$ 0	\$ 14,582,438
<u>BUSINESS-TYPE ACTIVITIES</u>										
<u>CAPITAL LEASES PAYABLE</u>										
<u>Payable through Solid Waste Disposal Fund</u>										
Tractor and Dirt Pan	57,344	3		9-6-13	9-5-18	\$ 35,416	\$ 0	\$ 11,456	\$ 0	\$ 23,960
Caterpillar Loader	83,539	2.49		9-2-14	9-29-19	55,480	0	16,595	0	38,885
Caterpillar Bulldozer	100,413	3.2		2-18-16	2-18-22	95,325	0	15,592	0	79,733
Total Capital Leases Payable						\$ 186,221	\$ 0	\$ 43,643	\$ 0	\$ 142,578

Exhibit K-2

Haywood County, Tennessee  
Schedule of Long-term Debt Requirements by Year

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2018	\$ 86,597	\$ 4,812	\$ 91,409
2019	6,291	1,266	7,557
2020	6,586	971	7,557
2021	6,895	662	7,557
2022	7,218	339	7,557
Total	\$ 113,587	\$ 8,050	\$ 121,637

Year Ending June 30	Other Loans	
	Principal	Total
2018	\$ 200,004	\$ 200,004
2019	200,004	200,004
2020	200,004	200,004
2021	200,004	200,004
2022	200,004	200,004
2023	149,963	149,963
Total	\$ 1,149,983	\$ 1,149,983

Year Ending June 30	Bonds		
	Principal	Interest	Total
2018	\$ 1,101,223	\$ 521,406	\$ 1,622,629
2019	1,150,773	486,113	1,636,886
2020	1,161,395	461,258	1,622,653
2021	1,197,094	436,111	1,633,205
2022	997,872	410,164	1,408,036
2023	1,034,733	376,293	1,411,026

(Continued)

Exhibit K-2

Haywood County, Tennessee  
Schedule of Long-term Debt Requirements by Year (Cont.)

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2024	\$ 1,064,414	\$ 340,211	\$ 1,404,625
2025	1,073,726	301,478	1,375,204
2026	1,113,601	262,196	1,375,797
2027	1,145,519	221,296	1,366,815
2028	1,060,482	177,688	1,238,170
2029	1,121,493	134,807	1,256,300
2030	1,172,553	73,796	1,246,349
2031	23,666	8,859	32,525
2032	24,834	7,691	32,525
2033	26,060	6,465	32,525
2034	27,345	5,179	32,524
2035	28,695	3,830	32,525
2036	30,111	2,414	32,525
2037	26,849	928	27,777
Total	<u>\$ 14,582,438</u>	<u>\$ 4,238,183</u>	<u>\$ 18,820,621</u>

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2018	\$ 44,913	\$ 3,811	\$ 48,724
2019	46,219	2,506	48,725
2020	21,595	1,272	22,867
2021	17,719	697	18,416
2022	12,132	146	12,278
Total	<u>\$ 142,578</u>	<u>\$ 8,432</u>	<u>\$ 151,010</u>

Exhibit K-3

Haywood County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Haywood County School Department  
For the Year Ended June 30, 2017

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	Solid Waste Disposal	Operations	\$ 230,000
Other Capital Projects	Community Development/Industrial Park Fund	Grant Match	<u>39,000</u>
Total Transfers Primary Government			<u>\$ 269,000</u>
<u>DISCRETELY PRESENTED HAYWOOD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 40,779</u>
Total Transfers Discretely Presented Haywood County School Department			<u>\$ 40,779</u>

Exhibit K-4

Haywood County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Haywood County School Department  
For the Year Ended June 30, 2017

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 81,032 (1,2)	\$ 100,000	RLI Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, <i>TCA</i> , and County Commission	80,942 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	102,000 (3)	100,000	"
Trustee	Section 8-24-102, <i>TCA</i> , and County Commission	67,741 (1)	938,755	"
Assessor of Property:				
Dare Simpson (7-1-16 through 8-31-16)	Section 8-24-102, <i>TCA</i> , and County Commission	13,390 (1)	50,000	"
Gwen Watson (9-1-16 through 6-30-17)	Section 8-24-102, <i>TCA</i> , and County Commission	54,351	100,000	Western Surety Company
County Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	67,741 (1)	100,000	RLI Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	67,741 (1)	100,000	Western Surety Company
Clerk and Master	Section 8-24-102, <i>TCA</i> , and County Commission	67,741 (1)	120,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i> , and County Commission	67,741 (1)	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	74,263 (1,4)	100,000	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			400,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			400,000	Tennessee Risk Management Trust

(1) Includes a certified public administrator supplement of \$2,520.

(2) Includes county commission chairman compensation of \$3,183.

(3) Includes a career ladder supplement of \$1,000 and \$4,040 paid from the School Federal Projects Fund.

(4) Does not include a law enforcement training supplement of \$600.

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2017

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,110,035	\$ 0	\$ 0	\$ 0	\$ 448,802	\$ 857,485
Discount on Property Taxes	(59,789)	0	0	0	(5,251)	(10,133)
Trustee's Collections - Prior Year	184,736	0	0	0	17,396	42,148
Trustee's Collections - Bankruptcy	2,875	0	0	0	289	557
Circuit Clerk/Clerk and Master Collections - Prior Years	147,501	0	0	0	13,884	26,792
Interest and Penalty	39,090	0	0	0	3,635	7,013
Payments in-Lieu-of Taxes - T.V.A.	209,845	0	0	0	17,102	35,522
Payments in-Lieu-of Taxes - Local Utilities	64,250	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	110,698	0	0	0	0	0
Hotel/Motel Tax	52,375	0	0	0	0	0
Wheel Tax	553,466	0	0	0	140,119	280,263
Litigation Tax - General	229,289	0	0	0	0	0
Litigation Tax - Special Purpose	5,718	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	281,389
Litigation Tax - Courthouse Security	57,567	0	0	0	0	12,205
Business Tax	165,917	0	0	0	0	0
Mixed Drink Tax	3,392	0	0	0	0	0
Other County Local Option Taxes	32,725	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	16,316	0	0	0	0	0
Wholesale Beer Tax	63,311	0	0	0	0	0
Beer Privilege Tax	475	0	0	0	0	0
Total Local Taxes	\$ 6,989,792	\$ 0	\$ 0	\$ 0	\$ 635,976	\$ 1,533,241

(Continued)



## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 870	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	1,787	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,386	0	0	0	0	0
Building Permits	13,233	0	0	0	0	0
Total Licenses and Permits	\$ 17,276	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 2,811	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	5,182	0	0	0	0	0
Data Entry Fee - Circuit Court	446	0	0	0	0	0
Courtroom Security Fee	552	0	0	0	0	0
<u>Criminal Court</u>						
Victims Assistance Assessments	1,367	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	33,299	0	0	0	0	0
Officers Costs	33,275	0	0	0	0	0
Game and Fish Fines	315	0	0	0	0	0
Drug Control Fines	0	0	658	0	0	0
Jail Fees	34,355	0	0	0	0	0
DUI Treatment Fines	6,952	0	0	0	0	0
Data Entry Fee - General Sessions Court	28,891	0	0	0	0	0
Courtroom Security Fee	821	0	0	0	0	0
Victims Assistance Assessments	19,538	0	0	0	0	0

(Continued)

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 1,204	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	990	0	0	0	0	0
Data Entry Fee - Juvenile Court	308	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	690	0	0	0	0	0
Data Entry Fee - Chancery Court	2,654	0	0	0	0	0
Courtroom Security Fee	1,203	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	143,789	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	907	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	25	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 175,785	\$ 0	\$ 144,447	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Residential Waste Collection Charge	\$ 0	\$ 623,303	\$ 0	\$ 0	\$ 0	0
Patient Charges	992,391	0	0	0	0	0
Zoning Studies	240	0	0	0	0	0
Health Department Collections	120,510	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	34,429	0	0	0	0	0
Copy Fees	266	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	48,380	0	0	0	0	0

(Continued)

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Vending Machine Collections	\$ 2,936	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Constitutional Officers' Fees and Commissions	0	0	0	194,880	0	0
Data Processing Fee - Register	5,012	0	0	0	0	0
Data Processing Fee - Sheriff	1,987	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,650	0	0	0	0	0
Data Processing Fee - County Clerk	1,818	0	0	0	0	0
Total Charges for Current Services	<u>\$ 1,209,719</u>	<u>\$ 623,303</u>	<u>\$ 0</u>	<u>\$ 194,880</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,499
Lease/Rentals	15,625	0	0	0	570	0
Sale of Materials and Supplies	38,477	0	0	0	6,244	0
Commissary Sales	21,664	0	0	0	0	0
Sale of Gasoline	0	0	0	0	167,910	0
Miscellaneous Refunds	141,776	155	0	0	245	107
<u>Nonrecurring Items</u>						
Sale of Equipment	3,010	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	32,525
Total Other Local Revenues	<u>\$ 220,552</u>	<u>\$ 155</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 174,969</u>	<u>\$ 89,131</u>
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 176,430	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 207,864	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	27,292	0	0	0	0	0
General Sessions Court Clerk	416,232	0	0	0	0	0
Clerk and Master	79,033	0	0	0	0	0
Juvenile Court Clerk	5,400	0	0	0	0	0
Register	58,727	0	0	0	0	0
Sheriff	10,892	0	0	0	0	0
Total Fees Received From County Officials	\$ 981,870	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,815	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	10,200	0	0	0	0	0
Drug Control Grants	5,454	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	0
Other Health and Welfare Grants	10,599	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	1,148,212	0
Litter Program	0	40,317	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	13,479	0	0	0	0	0
Vehicle Certificate of Title Fees	6,911	0	0	0	0	0
Alcoholic Beverage Tax	77,914	0	0	0	0	0

(Continued)

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Revenue Sharing - T.V.A.	\$ 336,434	\$ 0	\$ 0	\$ 0	\$ 29,548	\$ 57,019
Contracted Prisoner Boarding	623,339	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,858,104	0
Petroleum Special Tax	0	0	0	0	13,556	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	9,024	0	0	0	0	0
Other State Revenues	14,947	0	0	0	0	0
Total State of Tennessee	<u>\$ 1,128,280</u>	<u>\$ 40,317</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,049,420</u>	<u>\$ 57,019</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 29,183	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	46,479	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	95,734
Total Federal Government	<u>\$ 75,662</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 95,734</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 3,595	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	650,885	0	0	0	0	50,000
Contracted Services	115,276	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	7,573	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 777,329</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,000</u>
Total	<u>\$ 11,576,265</u>	<u>\$ 663,775</u>	<u>\$ 144,447</u>	<u>\$ 194,880</u>	<u>\$ 3,860,365</u>	<u>\$ 1,825,125</u>

(Continued)

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Capital Projects Funds			
	General	Community	Other	
	Capital	Development/	Capital	
	Projects	Industrial	Projects	Total
		Park		
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 6,416,322
Discount on Property Taxes	0	0	0	(75,173)
Trustee's Collections - Prior Year	0	0	0	244,280
Trustee's Collections - Bankruptcy	0	0	0	3,721
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	188,177
Interest and Penalty	0	0	0	49,738
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	262,469
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	64,250
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	110,698
Hotel/Motel Tax	0	0	0	52,375
Wheel Tax	0	0	0	973,848
Litigation Tax - General	0	0	0	229,289
Litigation Tax - Special Purpose	0	0	0	5,718
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	281,389
Litigation Tax - Courthouse Security	0	0	0	69,772
Business Tax	0	0	0	165,917
Mixed Drink Tax	0	0	0	3,392
Other County Local Option Taxes	0	0	0	32,725
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	16,316
Wholesale Beer Tax	0	0	0	63,311
Beer Privilege Tax	0	0	0	475
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 9,159,009

(Continued)

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Capital Projects Funds			
	General	Community	Other	
	Capital	Development/	Capital	
	Projects	Industrial	Projects	Total
		Park		
<hr/>				
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Animal Registration	\$ 0	\$ 0	\$ 0	870
Cable TV Franchise	0	0	0	1,787
<u>Permits</u>				
Beer Permits	0	0	0	1,386
Building Permits	0	0	0	13,233
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>17,276</u>
<hr/>				
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	2,811
Officers Costs	0	0	0	5,182
Data Entry Fee - Circuit Court	0	0	0	446
Courtroom Security Fee	0	0	0	552
<u>Criminal Court</u>				
Victims Assistance Assessments	0	0	0	1,367
<u>General Sessions Court</u>				
Fines	0	0	0	33,299
Officers Costs	0	0	0	33,275
Game and Fish Fines	0	0	0	315
Drug Control Fines	0	0	0	658
Jail Fees	0	0	0	34,355
DUI Treatment Fines	0	0	0	6,952
Data Entry Fee - General Sessions Court	0	0	0	28,891
Courtroom Security Fee	0	0	0	821
Victims Assistance Assessments	0	0	0	19,538

(Continued)

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Capital Projects Funds			
	General	Community	Other	
	Capital	Development/	Capital	
	Projects	Industrial	Projects	Total
		Park		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Juvenile Court</u>				
Fines	\$ 0	\$ 0	\$ 0	1,204
Officers Costs	0	0	0	990
Data Entry Fee - Juvenile Court	0	0	0	308
<u>Chancery Court</u>				
Officers Costs	0	0	0	690
Data Entry Fee - Chancery Court	0	0	0	2,654
Courtroom Security Fee	0	0	0	1,203
<u>Judicial District Drug Program</u>				
Drug Task Force Forfeitures and Seizures	0	0	0	143,789
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	907
Other Fines, Forfeitures, and Penalties	0	0	0	25
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	320,232
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 0	623,303
Patient Charges	0	0	0	992,391
Zoning Studies	0	0	0	240
Health Department Collections	0	0	0	120,510
<u>Fees</u>				
Recreation Fees	0	0	0	34,429
Copy Fees	0	0	0	266
Greenbelt Late Application Fee	0	0	0	100
Telephone Commissions	0	0	0	48,380

(Continued)



## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Capital Projects Funds			Total
	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Vending Machine Collections	\$ 0	\$ 0	\$ 0	\$ 2,936
Constitutional Officers' Fees and Commissions	0	0	0	194,880
Data Processing Fee - Register	0	0	0	5,012
Data Processing Fee - Sheriff	0	0	0	1,987
Sexual Offender Registration Fee - Sheriff	0	0	0	1,650
Data Processing Fee - County Clerk	0	0	0	1,818
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,027,902</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 0	\$ 56,499
Lease/Rentals	0	0	25,074	41,269
Sale of Materials and Supplies	0	0	0	44,721
Commissary Sales	0	0	0	21,664
Sale of Gasoline	0	0	0	167,910
Miscellaneous Refunds	381	0	0	142,664
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	0	3,010
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	32,525
Total Other Local Revenues	<u>\$ 381</u>	<u>\$ 0</u>	<u>\$ 25,074</u>	<u>\$ 510,262</u>
<u>Fees Received From County Officials</u>				
<u>Excess Fees</u>				
Trustee	\$ 0	\$ 0	\$ 0	\$ 176,430

(Continued)

## Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Capital Projects Funds			
	General	Community	Other	
	Capital	Development/	Capital	
	Projects	Industrial	Projects	Total
		Park		
<u>Fees Received From County Officials (Cont.)</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	207,864
Circuit Court Clerk	0	0	0	27,292
General Sessions Court Clerk	0	0	0	416,232
Clerk and Master	0	0	0	79,033
Juvenile Court Clerk	0	0	0	5,400
Register	0	0	0	58,727
Sheriff	0	0	0	10,892
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	981,870
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	4,815
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	10,200
Drug Control Grants	0	0	0	5,454
<u>Health and Welfare Grants</u>				
Health Department Programs	0	10,000	0	10,000
Other Health and Welfare Grants	0	0	0	10,599
<u>Public Works Grants</u>				
Bridge Program	0	0	0	1,148,212
Litter Program	0	0	0	40,317
<u>Other State Revenues</u>				
Income Tax	0	0	0	13,479
Vehicle Certificate of Title Fees	0	0	0	6,911
Alcoholic Beverage Tax	0	0	0	77,914

(Continued)

Exhibit K-5

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types (Cont.)

	Capital Projects Funds			
	General	Community	Other	
	Capital	Development/	Capital	
	Projects	Industrial	Projects	Total
		Park		
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
State Revenue Sharing - T.V.A.	\$ 0	\$ 0	\$ 0	\$ 423,001
Contracted Prisoner Boarding	0	0	0	623,339
Gasoline and Motor Fuel Tax	0	0	0	1,858,104
Petroleum Special Tax	0	0	0	13,556
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	0	9,024
Other State Revenues	0	0	0	14,947
Total State of Tennessee	\$ 0	\$ 10,000	\$ 0	\$ 4,285,036
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 29,183
Community Development	0	53,081	0	53,081
<u>Direct Federal Revenue</u>				
Forest Service	0	0	0	46,479
Tax Credit Bond Rebate	0	0	0	95,734
Total Federal Government	\$ 0	\$ 53,081	\$ 0	\$ 224,477
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 3,595
Contributions	0	13,200	0	714,085
Contracted Services	0	0	0	115,276
<u>Citizens Groups</u>				
Donations	0	0	0	7,573
Total Other Governments and Citizens Groups	\$ 0	\$ 13,200	\$ 0	\$ 840,529
Total	\$ 381	\$ 76,281	\$ 25,074	\$ 18,366,593

(Continued)

Exhibit K-6

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department  
For the Year Ended June 30, 2017

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,645,593	\$ 0	\$ 0	\$ 3,645,593
Discount on Property Taxes	(42,652)	0	0	(42,652)
Trustee's Collections - Prior Year	144,895	0	0	144,895
Trustee's Collections - Bankruptcy	2,275	0	0	2,275
Circuit Clerk/Clerk and Master Collections - Prior Years	112,775	0	0	112,775
Interest and Penalty	29,479	0	0	29,479
Payments in-Lieu-of Taxes - T.V.A.	138,914	0	0	138,914
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,791,441	0	0	1,791,441
Wheel Tax	280,238	0	0	280,238
Mixed Drink Tax	3,392	0	0	3,392
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,000	0	0	2,000
Other Statutory Local Taxes	40,943	0	0	40,943
Total Local Taxes	<u>\$ 6,149,293</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,149,293</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 902	\$ 0	\$ 0	\$ 902
Total Licenses and Permits	<u>\$ 902</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 902</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Adults	\$ 0	\$ 0	\$ 12,076	\$ 12,076

(Continued)

## Exhibit K-6

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
A la Carte Sales	\$ 0	\$ 0	\$ 34,563	\$ 34,563
Receipts from Individual Schools	35,514	0	0	35,514
Other Charges for Services	0	0	18,638	18,638
Total Charges for Current Services	\$ 35,514	\$ 0	\$ 65,277	\$ 100,791
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 901	\$ 901
Lease/Rentals	1,513	0	0	1,513
Miscellaneous Refunds	15,998	0	0	15,998
<u>Other Local Revenues</u>				
Other Local Revenues	144,994	0	0	144,994
Total Other Local Revenues	\$ 162,505	\$ 0	\$ 901	\$ 163,406
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 108,089	\$ 0	\$ 0	\$ 108,089
<u>State Education Funds</u>				
Basic Education Program	16,575,774	0	0	16,575,774
Early Childhood Education	610,008	0	0	610,008
School Food Service	0	0	18,635	18,635
Driver Education	3,034	0	0	3,034
Other State Education Funds	132,380	0	0	132,380
Career Ladder Program	69,054	0	0	69,054

(Continued)

## Exhibit K-6

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	\$ 240,010	\$ 0	\$ 0	\$ 240,010
Other State Grants	17,430	0	0	17,430
Total State of Tennessee	<u>\$ 17,755,779</u>	<u>\$ 0</u>	<u>\$ 18,635</u>	<u>\$ 17,774,414</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,241,800	\$ 1,241,800
USDA - Commodities	0	0	120,463	120,463
Breakfast	0	0	513,992	513,992
USDA - Other	0	0	37,946	37,946
Vocational Education - Basic Grants to States	0	63,510	0	63,510
Title I Grants to Local Education Agencies	0	991,852	0	991,852
Special Education - Grants to States	38,019	697,223	0	735,242
Special Education Preschool Grants	0	50,859	0	50,859
English Language Acquisition Grants	0	5,609	0	5,609
Safe and Drug-free Schools - State Grants	0	390,457	0	390,457
Rural Education	0	102,000	0	102,000
Eisenhower Professional Development State Grants	0	193,590	0	193,590
Other Federal through State	0	787,569	0	787,569
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	82,943	0	0	82,943
Total Federal Government	<u>\$ 120,962</u>	<u>\$ 3,282,669</u>	<u>\$ 1,914,201</u>	<u>\$ 5,317,832</u>

(Continued)

Exhibit K-6

Haywood County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 80,000	\$ 0	\$ 0	\$ 80,000
Total Other Governments and Citizens Groups	\$ 80,000	\$ 0	\$ 0	\$ 80,000
Total	\$ 24,304,955	\$ 3,282,669	\$ 1,999,014	\$ 29,586,638

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2017

General FundGeneral GovernmentCounty Commission

Other Salaries and Wages	\$	3,183	
Board and Committee Members Fees		13,925	
Social Security		1,821	
Pensions		647	
Life Insurance		1,345	
Audit Services		6,763	
Dues and Memberships		4,345	
Other Contracted Services		36,000	
Food Supplies		5,029	
Other Charges		3,968	
Total County Commission			\$ 77,026

Beer Board

Secretary to Board	\$	150	
Board and Committee Members Fees		400	
Legal Notices, Recording, and Court Costs		170	
Total Beer Board			720

County Mayor/Executive

County Official/Administrative Officer	\$	75,329	
Accountants/Bookkeepers		85,405	
Secretary(ies)		21,996	
Part-time Personnel		7,284	
Educational Incentive - Official/Admin Officer		2,520	
Overtime Pay		52	
Social Security		14,753	
Pensions		20,625	
Employee and Dependent Insurance		13,295	
Life Insurance		1,403	
Unemployment Compensation		347	
Other Fringe Benefits		2,940	
Communication		6,785	
Data Processing Services		402	
Dues and Memberships		3,473	
Maintenance and Repair Services - Vehicles		261	
Postal Charges		2,225	
Travel		2,464	
Tuition		1,799	
Gasoline		1,041	
Library Books/Media		1,771	
Office Supplies		2,174	
Premiums on Corporate Surety Bonds		197	
Workers' Compensation Insurance		386	
Other Charges		49,852	
Office Equipment		29	
Total County Mayor/Executive			318,808

(Continued)



## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Attorney

County Official/Administrative Officer	\$	4,900	
Social Security		379	
Pensions		607	
Operating Lease Payments		1,783	
Legal Services		30,833	
Library Books/Media		4,376	
Workers' Compensation Insurance		17	
Total County Attorney			\$ 42,895

Election Commission

County Official/Administrative Officer	\$	58,699	
Part-time Personnel		9,362	
Election Commission		4,800	
Election Workers		16,935	
Social Security		5,195	
Pensions		7,184	
Employee and Dependent Insurance		1,209	
Life Insurance		249	
Unemployment Compensation		238	
Communication		3,923	
Data Processing Services		2,057	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		1,437	
Maintenance Agreements		4,627	
Postal Charges		1,371	
Printing, Stationery, and Forms		3,534	
Travel		2,709	
Office Supplies		1,031	
Liability Insurance		1,621	
Workers' Compensation Insurance		198	
Other Charges		15	
Total Election Commission			126,544

Register of Deeds

County Official/Administrative Officer	\$	65,221	
Deputy(ies)		28,200	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		7,326	
Pensions		11,877	
Employee and Dependent Insurance		3,033	
Life Insurance		491	
Unemployment Compensation		96	
Other Fringe Benefits		1,050	
Communication		1,762	
Dues and Memberships		747	
Postal Charges		170	
Printing, Stationery, and Forms		708	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Rentals	\$	1,140	
Travel		511	
Duplicating Supplies		306	
Office Supplies		108	
Premiums on Corporate Surety Bonds		197	
Workers' Compensation Insurance		197	
Data Processing Equipment		5,303	
Total Register of Deeds			\$ 130,963

Development

Supervisor/Director	\$	32,600	
Secretary(ies)		1,200	
Social Security		2,600	
Pensions		4,170	
Employee and Dependent Insurance		7,760	
Life Insurance		238	
Unemployment Compensation		100	
Other Fringe Benefits		210	
Communication		1,736	
Contracts with Government Agencies		12,800	
Data Processing Services		1,208	
Dues and Memberships		205	
Legal Notices, Recording, and Court Costs		28	
Maintenance and Repair Services - Vehicles		1,057	
Postal Charges		8	
Travel		1,104	
Gasoline		1,195	
Office Supplies		958	
Vehicle and Equipment Insurance		375	
Workers' Compensation Insurance		625	
Total Development			70,177

County Buildings

Supervisor/Director	\$	69,829	
Guards		52,970	
Custodial Personnel		93,525	
Overtime Pay		405	
Other Salaries and Wages		20,588	
Social Security		18,906	
Pensions		20,153	
Employee and Dependent Insurance		19,558	
Life Insurance		1,114	
Unemployment Compensation		1,300	
Other Fringe Benefits		9,870	
Communication		16,666	
Maintenance Agreements		50,923	
Maintenance and Repair Services - Buildings		2,272	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Maintenance and Repair Services - Vehicles	\$	498	
Rentals		2,400	
Custodial Supplies		4,879	
Duplicating Supplies		2,635	
Gasoline		4,956	
Utilities		216,476	
Other Supplies and Materials		79,502	
Vehicle and Equipment Insurance		1,440	
Workers' Compensation Insurance		8,250	
Other Charges		400	
Building Improvements		8,649	
Total County Buildings			\$ 708,164

Other General Administration

Remittance of Revenue Collected	\$	113,022	
Other Charges		35,617	
Total Other General Administration			148,639

FinanceAccounting and Budgeting

Board and Committee Members Fees	\$	8,550	
Total Accounting and Budgeting			8,550

Property Assessor's Office

County Official/Administrative Officer	\$	65,221	
Deputy(ies)		81,940	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		502	
Social Security		11,627	
Pensions		16,098	
Employee and Dependent Insurance		11,448	
Life Insurance		536	
Unemployment Compensation		308	
Other Fringe Benefits		4,200	
Communication		2,923	
Contracts with Private Agencies		35,068	
Data Processing Services		17,305	
Dues and Memberships		2,141	
Rentals		7,200	
Travel		4,682	
Other Contracted Services		9,798	
Duplicating Supplies		552	
Gasoline		16	
Office Supplies		1,284	
Utilities		4,715	
Premiums on Corporate Surety Bonds		2,600	
Workers' Compensation Insurance		1,435	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Other Charges	\$	12	
Data Processing Equipment		1,021	
Office Equipment		3,738	
Total Property Assessor's Office			\$ 288,890

Reappraisal Program

Data Processing Services	\$	1,133	
Other Contracted Services		12,852	
Workers' Compensation Insurance		48	
Total Reappraisal Program			14,033

County Trustee's Office

Social Security	\$	13,513	
Pensions		20,126	
Employee and Dependent Insurance		17,670	
Life Insurance		834	
Unemployment Compensation		480	
Communication		5,721	
Data Processing Services		7,100	
Dues and Memberships		772	
Maintenance Agreements		5,477	
Maintenance and Repair Services - Office Equipment		150	
Postal Charges		3,453	
Printing, Stationery, and Forms		968	
Office Supplies		2,765	
Premiums on Corporate Surety Bonds		2,781	
Workers' Compensation Insurance		373	
Other Charges		335	
Total County Trustee's Office			82,518

County Clerk's Office

County Official/Administrative Officer	\$	65,221	
Deputy(ies)		133,638	
Part-time Personnel		916	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		15,433	
Pensions		25,300	
Employee and Dependent Insurance		21,599	
Life Insurance		949	
Unemployment Compensation		491	
Other Fringe Benefits		6,090	
Communication		2,487	
Dues and Memberships		822	
Operating Lease Payments		1,260	
Maintenance Agreements		18,118	
Postal Charges		2,125	
Printing, Stationery, and Forms		273	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Travel	\$	669	
Office Supplies		1,181	
Premiums on Corporate Surety Bonds		197	
Workers' Compensation Insurance		426	
Office Equipment		130	
Total County Clerk's Office			\$ 299,845

Data Processing

Data Processing Services	\$	47,851	
Total Data Processing			47,851

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	65,221	
Deputy(ies)		242,547	
Educational Incentive - Official/Admin Officer		2,520	
Jury and Witness Expense		7,044	
Social Security		23,701	
Pensions		35,742	
Employee and Dependent Insurance		41,903	
Life Insurance		1,980	
Unemployment Compensation		864	
Other Fringe Benefits		12,810	
Communication		1,957	
Dues and Memberships		862	
Maintenance and Repair Services - Office Equipment		557	
Postal Charges		2,174	
Printing, Stationery, and Forms		1,997	
Rentals		4,140	
Travel		769	
Office Supplies		2,151	
Premiums on Corporate Surety Bonds		402	
Workers' Compensation Insurance		650	
Other Charges		301	
Data Processing Equipment		29,841	
Office Equipment		5,820	
Total Circuit Court			485,953

General Sessions Judge

Judge(s)	\$	170,520	
Secretary(ies)		29,413	
Social Security		12,215	
Pensions		24,845	
Employee and Dependent Insurance		2,418	
Life Insurance		733	
Unemployment Compensation		96	
Other Fringe Benefits		2,730	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Judge (Cont.)

Communication	\$	1,732	
Dues and Memberships		820	
Travel		328	
Library Books/Media		758	
Office Supplies		339	
Workers' Compensation Insurance		409	
Office Equipment		580	
Total General Sessions Judge			\$ 247,936

General Sessions Court Clerk

Postal Charges	\$	172	
Printing, Stationery, and Forms		1,272	
Office Supplies		1,558	
Total General Sessions Court Clerk			3,002

Chancery Court

County Official/Administrative Officer	\$	65,221	
Deputy(ies)		57,263	
Temporary Personnel		169	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		9,087	
Pensions		15,663	
Employee and Dependent Insurance		14,281	
Life Insurance		704	
Unemployment Compensation		290	
Other Fringe Benefits		2,520	
Communication		1,766	
Dues and Memberships		300	
Legal Notices, Recording, and Court Costs		280	
Postal Charges		576	
Printing, Stationery, and Forms		521	
Travel		76	
Other Contracted Services		400	
Office Supplies		813	
Premiums on Corporate Surety Bonds		1,428	
Workers' Compensation Insurance		263	
Data Processing Equipment		6,267	
Office Equipment		55	
Total Chancery Court			180,463

Juvenile Court

Youth Service Officer(s)	\$	58,305	
Social Security		4,732	
Pensions		13,424	
Employee and Dependent Insurance		1,588	
Life Insurance		412	
Unemployment Compensation		192	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Juvenile Court (Cont.)

Other Fringe Benefits	\$	3,780	
Communication		2,197	
Dues and Memberships		195	
Legal Services		3,547	
Postal Charges		108	
Travel		391	
Office Supplies		903	
Workers' Compensation Insurance		125	
Other Charges		497	
Office Equipment		311	
Total Juvenile Court			\$ 90,707

Public SafetySheriff's Department

County Official/Administrative Officer	\$	71,743
Supervisor/Director		41,137
Deputy(ies)		244,242
Lieutenant(s)		199,432
Sergeant(s)		127,462
Secretary(ies)		31,321
Educational Incentive - Official/Admin Officer		2,520
Overtime Pay		65,086
Other Salaries and Wages		106,061
In-service Training		10,200
Social Security		61,398
Pensions		107,600
Employee and Dependent Insurance		115,975
Life Insurance		4,217
Unemployment Compensation		2,225
Other Fringe Benefits		26,670
Communication		23,080
Dues and Memberships		1,712
Legal Notices, Recording, and Court Costs		247
Maintenance Agreements		4,740
Maintenance and Repair Services - Equipment		4,345
Maintenance and Repair Services - Vehicles		38,549
Medical and Dental Services		600
Postal Charges		1,288
Travel		793
Remittance of Revenue Collected		907
Gasoline		46,525
Instructional Supplies and Materials		45
Law Enforcement Supplies		11,058
Library Books/Media		553
Office Supplies		1,874
Tires and Tubes		8,223
Uniforms		6,748

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

## General Fund (Cont.)

## Public Safety (Cont.)

## Sheriff's Department (Cont.)

Other Supplies and Materials	\$	1,901	
Premiums on Corporate Surety Bonds		1,146	
Vehicle and Equipment Insurance		10,332	
Workers' Compensation Insurance		25,152	
Other Charges		11	
Law Enforcement Equipment		11,753	
Total Sheriff's Department			\$ 1,418,871

## Jail

Assistant(s)	\$	36,788	
Supervisor/Director		38,200	
Deputy(ies)		517,596	
Secretary(ies)		29,640	
Cafeteria Personnel		72,033	
Overtime Pay		111,928	
Other Salaries and Wages		103,670	
Social Security		62,586	
Pensions		85,873	
Employee and Dependent Insurance		81,459	
Life Insurance		4,536	
Unemployment Compensation		3,323	
Other Fringe Benefits		26,880	
Communication		4,915	
Maintenance Agreements		21,098	
Maintenance and Repair Services - Equipment		21,951	
Maintenance and Repair Services - Office Equipment		641	
Maintenance and Repair Services - Vehicles		609	
Medical and Dental Services		519,142	
Postal Charges		391	
Printing, Stationery, and Forms		1,085	
Travel		3,401	
Remittance of Revenue Collected		600	
Custodial Supplies		14,270	
Drugs and Medical Supplies		10,196	
Food Supplies		172,766	
Gasoline		1,052	
Office Supplies		1,884	
Prisoners Clothing		8,822	
Uniforms		6,973	
Other Supplies and Materials		5,224	
Vehicle and Equipment Insurance		1,200	
Workers' Compensation Insurance		21,746	
Food Service Equipment		1,524	
Office Equipment		2,007	
Total Jail			1,996,009

(Continued)



## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Workhouse

County Official/Administrative Officer	\$	12,138	
Assistant(s)		23,867	
Laborers		20,984	
Overtime Pay		980	
Social Security		3,939	
Pensions		11,665	
Employee and Dependent Insurance		15,134	
Life Insurance		376	
Unemployment Compensation		214	
Other Fringe Benefits		2,100	
Communication		2,483	
Maintenance and Repair Services - Buildings		641	
Maintenance and Repair Services - Equipment		21,537	
Pauper Burials		100	
Veterinary Services		215	
Other Contracted Services		75	
Diesel Fuel		5,262	
Fertilizer, Lime, and Seed		9,105	
Gasoline		3,706	
Utilities		5,305	
Vehicle and Equipment Insurance		982	
Workers' Compensation Insurance		1,217	
Other Charges		1,624	
Building Improvements		2,308	
Other Equipment		38,654	
Total Workhouse			\$ 184,611

Fire Prevention and Control

Other Per Diem and Fees	\$	21,533	
Social Security		1,140	
Pensions		1,824	
Life Insurance		152	
Unemployment Compensation		100	
Contracts with Government Agencies		267,626	
Maintenance and Repair Services - Equipment		10,107	
Maintenance and Repair Services - Vehicles		6,520	
Diesel Fuel		3,164	
Gasoline		1,439	
Liability Insurance		785	
Vehicle and Equipment Insurance		36,823	
Workers' Compensation Insurance		8,129	
Other Charges		33	
Motor Vehicles		4,000	
Total Fire Prevention and Control			363,375

Civil Defense

Contributions	\$	19,395	
Total Civil Defense			19,395

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Rescue Squad

Contributions	\$	10,000	
Vehicle and Equipment Insurance		3,065	
Other Charges		15	
Total Rescue Squad			\$ 13,080

County Coroner/Medical Examiner

Medical Personnel	\$	4,200	
Total County Coroner/Medical Examiner			4,200

Other Public Safety

Contracts with Government Agencies	\$	217,646	
Total Other Public Safety			217,646

Public Health and WelfareLocal Health Center

Custodial Personnel	\$	16,800	
Communication		3,175	
Contracts with Government Agencies		16,484	
Maintenance and Repair Services - Buildings		6,267	
Postal Charges		211	
Custodial Supplies		219	
Drugs and Medical Supplies		785	
Office Supplies		1,659	
Utilities		8,088	
Total Local Health Center			53,688

Rabies and Animal Control

Contracts with Government Agencies	\$	86,662	
Total Rabies and Animal Control			86,662

Ambulance/Emergency Medical Services

Assistant(s)	\$	53,340	
Supervisor/Director		57,360	
Medical Personnel		2,000	
Materials Supervisor		7,075	
Paraprofessionals		394,863	
Secretary(ies)		31,178	
Attendants		381,652	
Part-time Personnel		48,437	
Overtime Pay		43,407	
Other Salaries and Wages		30,286	
In-service Training		4,891	
Social Security		80,774	
Pensions		149,992	
Employee and Dependent Insurance		65,305	
Life Insurance		4,812	
Unemployment Compensation		3,665	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

## General Fund (Cont.)

## Public Health and Welfare (Cont.)

## Ambulance/Emergency Medical Services (Cont.)

Other Fringe Benefits	\$	27,510	
Communication		7,201	
Contracts with Private Agencies		52,058	
Data Processing Services		5,075	
Dues and Memberships		425	
Licenses		2,320	
Maintenance Agreements		7,535	
Maintenance and Repair Services - Buildings		7,041	
Maintenance and Repair Services - Vehicles		26,628	
Postal Charges		240	
Travel		1,889	
Tuition		2,467	
Custodial Supplies		1,006	
Diesel Fuel		30,350	
Drugs and Medical Supplies		50,687	
Gasoline		2,903	
Office Supplies		5,090	
Uniforms		11,806	
Utilities		9,616	
Other Supplies and Materials		2,147	
Liability Insurance		18,287	
Refunds		1,048	
Vehicle and Equipment Insurance		16,990	
Workers' Compensation Insurance		110,467	
Total Ambulance/Emergency Medical Services			\$ 1,759,823

## Alcohol and Drug Programs

Travel	\$	337	
Other Supplies and Materials		12,689	
Total Alcohol and Drug Programs			13,026

## Other Local Health Services

Other Supplies and Materials	\$	9,028	
Total Other Local Health Services			9,028

## Appropriation to State

Paraprofessionals	\$	34,998	
Clerical Personnel		48,728	
Social Security		6,472	
Pensions		7,378	
Employee and Dependent Insurance		10,882	
Life Insurance		910	
Unemployment Compensation		391	
Other Fringe Benefits		2,520	
Travel		2,127	
Workers' Compensation Insurance		1,973	
Total Appropriation to State			116,379

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

## General Fund (Cont.)

## Social, Cultural, and Recreational Services

## Libraries

Librarians	\$	50,394	
Social Security		3,541	
Pensions		6,727	
Employee and Dependent Insurance		11,452	
Life Insurance		402	
Unemployment Compensation		192	
Other Fringe Benefits		4,480	
Contributions		75,272	
Workers' Compensation Insurance		108	
Total Libraries			\$ 152,568

## Parks and Fair Boards

County Official/Administrative Officer	\$	47,561	
Supervisor/Director		21,272	
Foremen		34,326	
Laborers		116,135	
Secretary(ies)		31,950	
Temporary Personnel		57,303	
Overtime Pay		236	
Social Security		23,713	
Pensions		32,399	
Employee and Dependent Insurance		44,156	
Life Insurance		1,801	
Unemployment Compensation		1,502	
Other Fringe Benefits		13,020	
Communication		5,019	
Contributions		6,788	
Dues and Memberships		345	
Maintenance and Repair Services - Buildings		30,914	
Maintenance and Repair Services - Equipment		8,893	
Maintenance and Repair Services - Office Equipment		10	
Maintenance and Repair Services - Vehicles		4,639	
Pest Control		1,548	
Postal Charges		245	
Travel		115	
Custodial Supplies		7,247	
Fertilizer, Lime, and Seed		10,427	
Gasoline		8,677	
Office Supplies		4,472	
Utilities		81,355	
Other Supplies and Materials		22,253	
Refunds		15,202	
Vehicle and Equipment Insurance		3,041	
Workers' Compensation Insurance		13,125	
Other Charges		2,492	
Building Improvements		24,706	
Heating and Air Conditioning Equipment		12,700	
Maintenance Equipment		2,191	
Total Parks and Fair Boards			691,778

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

## General Fund (Cont.)

## Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Temporary Personnel	\$	6,094	
Unemployment Compensation		22	
Contracts with Government Agencies		18,845	
Travel		74	
Workers' Compensation Insurance		25	
Total Other Social, Cultural, and Recreational	\$		25,060

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	121,602	
Communication		4,883	
Licenses		195	
Travel		1,563	
Custodial Supplies		365	
Other Supplies and Materials		6,258	
Workers' Compensation Insurance		6	
Other Charges		500	
Total Agricultural Extension Service			135,372

Soil Conservation

Secretary(ies)	\$	25,283	
Other Salaries and Wages		37,474	
Social Security		4,561	
Pensions		7,935	
Employee and Dependent Insurance		9,467	
Life Insurance		464	
Unemployment Compensation		192	
Other Fringe Benefits		3,570	
Workers' Compensation Insurance		901	
Total Soil Conservation			89,847

Other OperationsIndustrial Development

Engineering Services	\$	2,500	
Other Contracted Services		100,627	
Other Supplies and Materials		15	
Other Charges		10,840	
Site Development		1,600	
Total Industrial Development			115,582

Other Economic and Community Development

Contracts with Private Agencies	\$	4,549	
Travel		2,688	
Testing		1,787	
Total Other Economic and Community Development			9,024

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

## General Fund (Cont.)

## Other Operations (Cont.)

## Veterans' Services

Other Salaries and Wages	\$	15,963	
Social Security		1,121	
Unemployment Compensation		117	
Communication		1,958	
Data Processing Services		399	
Dues and Memberships		30	
Postal Charges		69	
Rentals		600	
Travel		1,962	
Office Supplies		599	
Workers' Compensation Insurance		37	
Office Equipment		1,737	
Total Veterans' Services			\$ 24,592

## Other Charges

Assistant(s)	\$	7,198	
Supervisor/Director		10,706	
Social Security		1,815	
Pensions		3,324	
Employee and Dependent Insurance		4,285	
Life Insurance		84	
Other Fringe Benefits		5,040	
Communication		790	
Maintenance Agreements		744	
Workers' Compensation Insurance		1,601	
Total Other Charges			35,587

## Contributions to Other Agencies

Contributions	\$	142,979	
Remittance of Revenue Collected		20,905	
Total Contributions to Other Agencies			163,884

## Miscellaneous

Pensions	\$	12,513	
Building and Contents Insurance		74,429	
Liability Insurance		82,138	
Trustee's Commission		140,806	
Other Charges		20,627	
Total Miscellaneous			330,513

Total General Fund \$ 11,403,284

## Solid Waste/Sanitation Fund

## Public Health and Welfare

## Waste Pickup

Supervisor/Director	\$	21,000	
Equipment Operators		93,013	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Waste Pickup (Cont.)

Secretary(ies)	\$	32,235	
Educational Assistants		885	
Part-time Personnel		3,050	
Overtime Pay		383	
Life Insurance		352	
Unemployment Compensation		776	
Other Fringe Benefits		5,985	
Communication		1,453	
Data Processing Services		30,346	
Legal Notices, Recording, and Court Costs		24	
Maintenance and Repair Services - Office Equipment		3,175	
Postal Charges		16,853	
Printing, Stationery, and Forms		585	
Diesel Fuel		25,034	
Electricity		6,146	
Equipment and Machinery Parts		110,791	
Gasoline		9,630	
Instructional Supplies and Materials		6,330	
Lubricants		1,430	
Office Supplies		228	
Tires and Tubes		19,881	
Other Supplies and Materials		2,492	
Other Charges		757	
Maintenance Equipment		6,981	
Total Waste Pickup			\$ 399,815

Other OperationsOther Charges

Trustee's Commission	\$	6,238	
Vehicle and Equipment Insurance		4,000	
Workers' Compensation Insurance		9,477	
Total Other Charges			19,715

Employee Benefits

Social Security	\$	11,435	
Pensions		14,524	
Employee and Dependent Insurance		16,017	
Total Employee Benefits			41,976

Total Solid Waste/Sanitation Fund \$ 461,506

Drug Control FundPublic SafetyDrug Enforcement

Maintenance and Repair Services - Vehicles	\$	53	
Law Enforcement Supplies		1,880	
Trustee's Commission		1,475	

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Law Enforcement Equipment	\$	5,020	
Motor Vehicles		69,032	
Total Drug Enforcement			\$ 77,460

Total Drug Control Fund \$ 77,460

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	185,950	
Total County Trustee's Office			\$ 185,950

Total Constitutional Officers - Fees Fund 185,950

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	78,422	
Accountants/Bookkeepers		33,232	
Educational Incentive - Official/Admin Officer		2,520	
Longevity Pay		2,310	
Board and Committee Members Fees		13,000	
Communication		4,307	
Data Processing Services		8,350	
Dues and Memberships		3,338	
Legal Notices, Recording, and Court Costs		1,600	
Postal Charges		293	
Printing, Stationery, and Forms		400	
Travel		1,739	
Drugs and Medical Supplies		192	
Electricity		9,124	
Office Supplies		965	
Other Charges		1,755	
Total Administration			\$ 161,547

Highway and Bridge Maintenance

Laborers	\$	470,355	
Asphalt - Liquid		194,516	
Crushed Stone		132,911	
Fertilizer, Lime, and Seed		82,920	
Other Road Materials		5,722	
Pipe		23,971	
Road Signs		948	
Wood Products		4,100	
Total Highway and Bridge Maintenance			915,443

(Continued)



## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Laborers	\$	112,088	
Diesel Fuel		128,640	
Equipment and Machinery Parts		93,920	
Gasoline		108,081	
Lubricants		3,930	
Tires and Tubes		18,732	
Total Operation and Maintenance of Equipment			\$ 465,391

Other Charges

Liability Insurance	\$	1,939	
Premiums on Corporate Surety Bonds		694	
Trustee's Commission		30,119	
Vehicle and Equipment Insurance		49,905	
Workers' Compensation Insurance		33,337	
Total Other Charges			115,994

Employee Benefits

Social Security	\$	51,298	
Pensions		86,204	
Employee and Dependent Insurance		134,421	
Unemployment Compensation		408	
Other Fringe Benefits		2,477	
Total Employee Benefits			274,808

Capital Outlay

Engineering Services	\$	145,229	
Bridge Construction		1,015,156	
Highway Equipment		343,217	
Total Capital Outlay			1,503,602

Total Highway/Public Works Fund \$ 3,436,785

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	1,046,665	
Principal on Capital Leases		77,450	
Total General Government			\$ 1,124,115

Education

Principal on Other Loans	\$	200,004	
Total Education			200,004

Interest on Debt

General Government

Interest on Bonds	\$	533,518	
Interest on Other Loans		6,401	
Total General Government			539,919

(Continued)

## Exhibit K-7

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Interest on Debt (Cont.)

Education

Interest on Other Loans	\$ 6,430	
Total Education		\$ 6,430

Other Debt Service

General Government

Trustee's Commission	\$ 24,835	
Other Debt Issuance Charges	5,412	
Total General Government		30,247

Education

Contributions	\$ 80,000	
Other Debt Issuance Charges	16,134	
Other Debt Service	1,539	
Total Education		97,673

Total General Debt Service Fund \$ 1,998,388

General Capital Projects Fund

Capital Projects

Other General Government Projects

Other Charges	\$ 32,272	
Total Other General Government Projects		\$ 32,272

Total General Capital Projects Fund 32,272

Community Development/Industrial Park Fund

Capital Projects

Public Health and Welfare Projects

Contracts with Private Agencies	\$ 20,500	
Health Equipment	42,600	
Total Public Health and Welfare Projects		\$ 63,100

Social, Cultural, and Recreation Projects

Remittance of Revenue Collected	\$ 10,000	
Total Social, Cultural, and Recreation Projects		10,000

Total Community Development/Industrial Park Fund 73,100

Other Capital Projects Fund

Capital Projects

Other General Government Projects

Building Improvements	\$ 34,274	
Total Other General Government Projects		\$ 34,274

Total Other Capital Projects Fund 34,274

Total Governmental Funds - Primary Government \$ 17,703,019

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department  
For the Year Ended June 30, 2017

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 6,743,246	
Career Ladder Program	34,706	
Career Ladder Extended Contracts	5,552	
Educational Assistants	615,842	
Other Salaries and Wages	29,063	
Certified Substitute Teachers	29,687	
Non-certified Substitute Teachers	65,265	
Social Security	431,163	
Pensions	686,929	
Medical Insurance	957,343	
Dental Insurance	40,307	
Employer Medicare	101,797	
Other Contracted Services	9,914	
Instructional Supplies and Materials	162,791	
Textbooks - Bound	66,108	
Other Supplies and Materials	13,442	
Other Charges	7,378	
Regular Instruction Equipment	54,312	
Total Regular Instruction Program		\$ 10,054,845

Alternative Instruction Program

Teachers	\$ 381,493	
Career Ladder Program	1,000	
Other Salaries and Wages	64,902	
Non-certified Substitute Teachers	3,160	
Social Security	24,624	
Pensions	40,238	
Medical Insurance	48,419	
Dental Insurance	1,527	
Employer Medicare	6,172	
Instructional Supplies and Materials	444	
Other Supplies and Materials	470	
Other Equipment	370	
Total Alternative Instruction Program		572,819

Special Education Program

Teachers	\$ 1,092,102	
Career Ladder Program	2,873	
Homebound Teachers	24,738	
Educational Assistants	159,642	
Other Salaries and Wages	47,503	
Certified Substitute Teachers	1,430	
Non-certified Substitute Teachers	9,042	
Social Security	77,436	
Pensions	123,744	
Medical Insurance	143,056	

(Continued)

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

General Purpose School Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Dental Insurance	\$	7,180	
Employer Medicare		18,347	
Maintenance and Repair Services - Equipment		243	
Other Contracted Services		11,886	
Instructional Supplies and Materials		6,022	
Textbooks - Bound		448	
Other Supplies and Materials		16,736	
Special Education Equipment		5,129	
Total Special Education Program			\$ 1,747,557

Career and Technical Education Program

Teachers	\$	460,641	
Other Salaries and Wages		1,340	
Certified Substitute Teachers		2,925	
Non-certified Substitute Teachers		12,392	
Social Security		27,818	
Pensions		42,316	
Medical Insurance		48,153	
Dental Insurance		2,154	
Employer Medicare		6,548	
Maintenance and Repair Services - Equipment		388	
Other Contracted Services		18	
Instructional Supplies and Materials		9,630	
T&I Construction Materials		3,791	
Textbooks - Bound		9,876	
Other Supplies and Materials		1,115	
Vocational Instruction Equipment		1,226	
Total Career and Technical Education Program			630,331

Support ServicesAttendance

Supervisor/Director	\$	69,112	
Career Ladder Program		1,000	
Other Salaries and Wages		3,269	
Social Security		4,228	
Pensions		6,634	
Medical Insurance		13,083	
Dental Insurance		636	
Employer Medicare		989	
Other Contracted Services		13,301	
Other Supplies and Materials		416	
In Service/Staff Development		3,064	
Other Charges		2,200	
Attendance Equipment		1,988	
Total Attendance			119,920

(Continued)

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Health Services

Supervisor/Director	\$	56,572	
Career Ladder Program		2,000	
Medical Personnel		77,288	
Social Security		8,144	
Pensions		13,265	
Medical Insurance		5,210	
Dental Insurance		612	
Employer Medicare		1,905	
Travel		3,755	
Other Contracted Services		7,562	
Drugs and Medical Supplies		2,732	
Other Supplies and Materials		9,026	
In Service/Staff Development		2,682	
Other Charges		2,092	
Total Health Services			\$ 192,845

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		282,465	
Other Salaries and Wages		68,138	
Social Security		20,460	
Pensions		31,810	
Medical Insurance		41,146	
Dental Insurance		1,829	
Employer Medicare		4,785	
Contracts with Government Agencies		110,431	
Contracts with Other School Systems		48,848	
Evaluation and Testing		18,420	
Travel		2,086	
Other Supplies and Materials		32,301	
In Service/Staff Development		2,415	
Other Charges		16,443	
Other Equipment		4,022	
Total Other Student Support			686,599

Regular Instruction Program

Supervisor/Director	\$	371,642	
Career Ladder Program		8,001	
Librarians		226,932	
Instructional Computer Personnel		108,610	
Social Security		41,524	
Pensions		64,638	
Medical Insurance		87,880	
Dental Insurance		3,971	
Employer Medicare		9,711	
Travel		6,213	

(Continued)

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Contracted Services	\$	6,595	
Library Books/Media		13,728	
Periodicals		2,637	
Other Supplies and Materials		2,278	
In Service/Staff Development		14,109	
Other Charges		651	
Other Equipment		19,917	
Total Regular Instruction Program			\$ 989,037

Alternative Instruction Program

Travel	\$	2,316	
Other Contracted Services		13,837	
Other Supplies and Materials		170	
Total Alternative Instruction Program			16,323

Special Education Program

Supervisor/Director	\$	136,758	
Career Ladder Program		2,000	
Psychological Personnel		90,605	
Clerical Personnel		31,291	
In-service Training		909	
Social Security		15,592	
Pensions		22,586	
Medical Insurance		14,358	
Dental Insurance		917	
Employer Medicare		3,647	
Travel		9,647	
Other Contracted Services		27,429	
Other Supplies and Materials		7,535	
In Service/Staff Development		8,505	
Total Special Education Program			371,779

Career and Technical Education Program

Supervisor/Director	\$	60,486	
Secretary(ies)		39,336	
Social Security		5,933	
Pensions		9,183	
Medical Insurance		5,309	
Dental Insurance		306	
Employer Medicare		1,387	
Travel		5,238	
Other Contracted Services		300	
Other Supplies and Materials		4,158	
In Service/Staff Development		2,766	
Total Career and Technical Education Program			134,402

(Continued)

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

## General Purpose School Fund (Cont.)

## Support Services (Cont.)

## Technology

Data Processing Personnel	\$	95,342	
Social Security		5,584	
Pensions		11,927	
Medical Insurance		7,889	
Employer Medicare		1,306	
Data Processing Services		34,980	
Travel		4,183	
Other Contracted Services		53,469	
Data Processing Supplies		8,335	
Office Supplies		997	
Other Supplies and Materials		9,757	
Data Processing Equipment		19,756	
Other Equipment		3,036	
Total Technology			\$ 256,561

## Other Programs

On-behalf Payments to OPEB	\$	108,089	
Total Other Programs			108,089

## Board of Education

Secretary to Board	\$	3,061	
Board and Committee Members Fees		7,230	
Social Security		611	
Pensions		383	
Medical Insurance		839	
Unemployment Compensation		21,383	
Employer Medicare		143	
Audit Services		8,500	
Dues and Memberships		9,079	
Legal Services		11,410	
Postal Charges		1,021	
Travel		7,184	
Other Contracted Services		43,350	
Other Supplies and Materials		5,155	
Liability Insurance		35,416	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		148,310	
Workers' Compensation Insurance		205,478	
In Service/Staff Development		1,491	
Refund to Applicant for Criminal Investigation		1,244	
Other Charges		4,046	
Total Board of Education			515,684

## Director of Schools

County Official/Administrative Officer	\$	96,960	
Career Ladder Program		1,000	

(Continued)

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Director of Schools (Cont.)

Clerical Personnel	\$	94,929	
Social Security		11,027	
Pensions		20,731	
Medical Insurance		30,461	
Dental Insurance		306	
Employer Medicare		2,579	
Communication		26,062	
Dues and Memberships		2,998	
Postal Charges		4,971	
Travel		5,884	
Other Contracted Services		4,309	
Office Supplies		8,700	
Other Supplies and Materials		659	
In Service/Staff Development		420	
Other Charges		2,340	
Total Director of Schools			\$ 314,336

Office of the Principal

Principals	\$	335,812	
Career Ladder Program		3,000	
Accountants/Bookkeepers		68,320	
Assistant Principals		384,575	
Secretary(ies)		210,104	
Social Security		58,206	
Pensions		98,865	
Medical Insurance		127,907	
Dental Insurance		3,470	
Employer Medicare		13,613	
Communication		67,793	
Travel		2,745	
Other Contracted Services		32,248	
Other Supplies and Materials		1,400	
In Service/Staff Development		600	
Other Charges		1,619	
Administration Equipment		541	
Total Office of the Principal			1,410,818

Fiscal Services

Supervisor/Director	\$	67,900	
Accountants/Bookkeepers		88,882	
Clerical Personnel		72,761	
Social Security		13,096	
Pensions		25,890	
Medical Insurance		31,461	
Employer Medicare		3,063	
Data Processing Services		948	

(Continued)



## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

## General Purpose School Fund (Cont.)

## Support Services (Cont.)

## Fiscal Services (Cont.)

Travel	\$	638	
Other Contracted Services		9,712	
Data Processing Supplies		3,723	
Other Supplies and Materials		414	
In Service/Staff Development		380	
Other Charges		50	
Administration Equipment		17,430	
Total Fiscal Services			\$ 336,348

## Operation of Plant

Other Salaries and Wages	\$	2,000	
Social Security		124	
Employer Medicare		29	
Other Contracted Services		627,506	
Electricity		590,680	
Natural Gas		82,460	
Water and Sewer		74,666	
Other Supplies and Materials		844	
Boiler Insurance		8,095	
Building and Contents Insurance		147,484	
Other Charges		259	
Total Operation of Plant			1,534,147

## Maintenance of Plant

Supervisor/Director	\$	80,365	
Maintenance Personnel		174,966	
Social Security		15,087	
Pensions		29,046	
Medical Insurance		27,515	
Dental Insurance		153	
Employer Medicare		3,528	
Laundry Service		4,288	
Maintenance and Repair Services - Buildings		101,517	
Maintenance and Repair Services - Equipment		12,838	
Other Contracted Services		89,817	
Other Supplies and Materials		165,114	
Other Charges		2,514	
Maintenance Equipment		18,338	
Total Maintenance of Plant			725,086

## Transportation

Supervisor/Director	\$	78,748	
Mechanic(s)		119,901	
Bus Drivers		577,108	
Other Salaries and Wages		153,486	
Social Security		56,659	

(Continued)

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

## General Purpose School Fund (Cont.)

## Support Services (Cont.)

## Transportation (Cont.)

Pensions	\$	90,620	
Medical Insurance		31,115	
Dental Insurance		363	
Employer Medicare		13,251	
Communication		26,434	
Contracts with Parents		8,715	
Laundry Service		5,677	
Maintenance and Repair Services - Vehicles		26,272	
Medical and Dental Services		10,241	
Travel		764	
Other Contracted Services		64,816	
Diesel Fuel		115,143	
Gasoline		13,625	
Lubricants		10,449	
Tires and Tubes		47,995	
Vehicle Parts		150,130	
Other Supplies and Materials		39,804	
Vehicle and Equipment Insurance		45,536	
In Service/Staff Development		3,028	
Other Charges		4,465	
Administration Equipment		2,701	
Transportation Equipment		320,319	
Total Transportation			\$ 2,017,365

## Operation of Non-Instructional Services

## Food Service

Food Supplies	\$	240	
Total Food Service			240

## Early Childhood Education

Teachers	\$	285,442	
Educational Assistants		98,869	
Other Salaries and Wages		21,199	
Certified Substitute Teachers		2,308	
Non-certified Substitute Teachers		4,474	
Social Security		23,670	
Pensions		40,321	
Medical Insurance		55,576	
Dental Insurance		1,811	
Employer Medicare		5,569	
Other Contracted Services		240	
Instructional Supplies and Materials		39,774	
Other Supplies and Materials		5,453	
In Service/Staff Development		395	
Other Charges		3,371	
Total Early Childhood Education			588,472

(Continued)

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

## General Purpose School Fund (Cont.)

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$ 50,000	
Total Education		\$ 50,000

Total General Purpose School Fund \$ 23,373,603

School Federal Projects FundInstructionRegular Instruction Program

Supervisor/Director	\$ 2,250	
Teachers	999,770	
Educational Assistants	189,864	
Other Salaries and Wages	31,281	
Certified Substitute Teachers	2,169	
Non-certified Substitute Teachers	2,939	
Social Security	71,294	
Pensions	115,052	
Medical Insurance	97,166	
Dental Insurance	3,668	
Employer Medicare	17,051	
Other Contracted Services	6,391	
Instructional Supplies and Materials	34,227	
Regular Instruction Equipment	50,833	
Total Regular Instruction Program		\$ 1,623,955

Special Education Program

Teachers	\$ 36,855	
Educational Assistants	411,787	
Social Security	25,973	
Pensions	52,775	
Medical Insurance	64,905	
Dental Insurance	306	
Employer Medicare	6,074	
Instructional Supplies and Materials	1,700	
Total Special Education Program		600,375

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$ 245	
Instructional Supplies and Materials	2,694	
Vocational Instruction Equipment	38,130	
Total Career and Technical Education Program		41,069

Support ServicesOther Student Support

Other Salaries and Wages	\$ 64,203	
Social Security	3,878	
Pensions	5,832	

(Continued)

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

School Federal Projects Fund (Cont.)Support Services (Cont.)Other Student Support (Cont.)

Medical Insurance	\$	4,661	
Dental Insurance		306	
Employer Medicare		907	
Travel		12,164	
Other Supplies and Materials		12,516	
In Service/Staff Development		27,649	
Other Charges		17,282	
Total Other Student Support			\$ 149,398

Regular Instruction Program

Supervisor/Director	\$	31,072	
Instructional Computer Personnel		28,581	
Other Salaries and Wages		55,448	
In-service Training		12,024	
Social Security		7,882	
Pensions		12,552	
Employer Medicare		1,843	
Travel		6,144	
Food Supplies		191	
Other Supplies and Materials		94,987	
In Service/Staff Development		43,749	
Total Regular Instruction Program			294,473

Special Education Program

Assessment Personnel	\$	54,000	
Social Security		3,216	
Pensions		4,882	
Medical Insurance		5,012	
Dental Insurance		305	
Employer Medicare		752	
Other Contracted Services		17,923	
Other Supplies and Materials		53,286	
In Service/Staff Development		5,835	
Total Special Education Program			145,211

Career and Technical Education Program

Travel	\$	2,500	
Total Career and Technical Education Program			2,500

Operation of Non-Instructional ServicesCommunity Services

Supervisor/Director	\$	37,090	
Teachers		221,065	
Clerical Personnel		3,517	
Educational Assistants		9,813	
Other Salaries and Wages		35,359	

(Continued)

## Exhibit K-8

Haywood County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Haywood County School Department (Cont.)

## School Federal Projects Fund (Cont.)

## Operation of Non-Instructional Services (Cont.)

## Community Services (Cont.)

Social Security	\$	18,895	
Pensions		30,213	
Medical Insurance		4,050	
Employer Medicare		4,419	
Travel		964	
Instructional Supplies and Materials		3,418	
Other Supplies and Materials		369	
In Service/Staff Development		1,389	
Other Charges		11,060	
Total Community Services			\$ 381,621

Total School Federal Projects Fund \$ 3,238,602

## Central Cafeteria Fund

## Operation of Non-Instructional Services

## Food Service

Supervisor/Director	\$	58,510	
Accountants/Bookkeepers		41,837	
Clerical Personnel		30,554	
Cafeteria Personnel		524,571	
Social Security		39,080	
Pensions		79,969	
Medical Insurance		55,225	
Dental Insurance		127	
Unemployment Compensation		838	
Employer Medicare		9,140	
Other Fringe Benefits		19,996	
Maintenance and Repair Services - Equipment		16,825	
Transportation - Other than Students		9,432	
Travel		5,856	
Other Contracted Services		8,672	
Food Preparation Supplies		69,517	
Food Supplies		801,167	
Office Supplies		4,630	
Uniforms		1,362	
USDA - Commodities		120,463	
Other Supplies and Materials		14,621	
In Service/Staff Development		4,387	
Other Charges		266	
Food Service Equipment		2,582	
Total Food Service			\$ 1,919,627

Total Central Cafeteria Fund 1,919,627

Total Governmental Funds - Haywood County School Department \$ 28,531,832

Exhibit K-9

Haywood County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2017

	Cities - Sales Tax Fund
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,668,064
Total Cash Receipts	<u>\$ 1,668,064</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,651,383
Trustee's Commission	16,681
Total Cash Disbursements	<u>\$ 1,668,064</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2016	<u>0</u>
Cash Balance, June 30, 2017	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

**Independent Auditor's Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Haywood County Mayor and  
Board of County Commissioners  
Haywood County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated February 16, 2018. Our report includes a reference to other auditors who audited the financial statements of the Haywood County Utility District, as described in our report on Haywood County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Haywood County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Haywood County's internal control. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2017-001, 2017-002, 2017-003, 2017-004, 2017-006, and 2017-007.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Haywood County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-005 and 2017-008.

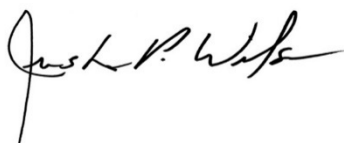
### **Haywood County's Responses to Findings**

Haywood County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Haywood County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haywood County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 16, 2018

JPW/yu



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Chief of Staff*

**Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Haywood County Mayor and  
Board of County Commissioners  
Haywood County, Tennessee

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Haywood County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Haywood County's major federal programs for the year ended June 30, 2017. Haywood County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Haywood County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Haywood County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Haywood County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Haywood County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

Management of Haywood County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Haywood County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

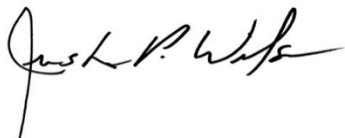
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements. We issued our report thereon dated February 16, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 16, 2018

JPW/yu

Haywood County, Tennessee, and the Haywood County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year Ended June 30, 2017

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (3)			
School Breakfast Program	10.553	N/A	\$ 513,992
National School Lunch Program	10.555	N/A	1,241,800 (5)
Summer Food Service Program for Children	10.559	N/A	37,946
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	120,463 (5)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(4)	29,183
Total U.S. Department of Agriculture			<u>\$ 1,943,384</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	34817	\$ 53,081
Total U.S. Department of Housing and Urban Development			<u>\$ 53,081</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	\$ 4,815
Total U.S. Department of Justice			<u>\$ 4,815</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 991,454
Special Education Cluster: (3)			
Special Education - Grants to States	84.027	N/A	732,748
Special Education - Preschool Grants	84.173	N/A	50,859
Career and Technical Education - Basic Grants to States	84.048	N/A	63,114
Twenty-first Century Community Learning Centers	84.287	N/A	390,457
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	108,560
Rural Education	84.358	N/A	102,000
English Language Acquisition State Grants	84.365	N/A	5,609
Improving Teacher Quality State Grants	84.367	N/A	193,590
Teacher Incentive Fund	84.374	N/A	644,792
Total U.S. Department of Education			<u>\$ 3,283,183</u>
Delta Regional Authority:			
Direct Program:			
Delta Area Economic Development	90.201	95-0750-0-1-452	\$ 9,024
Total Delta Regional Authority			<u>\$ 9,024</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Child Care and Development Block Grant	93.575	N/A	\$ 39,199
Total U.S. Department of Health and Human Services			<u>\$ 39,199</u>

(Continued)

Haywood County, Tennessee, and the Haywood County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
Executive Office of the President:			
Passed-through Thirtieth Judicial District Drug Task Force:			
High Intensity Drug Trafficking Areas Program	95.001	(4)	\$ 5,454
Total Executive Office of the President			<u>\$ 5,454</u>
Total Expenditures of Federal Awards			<u>\$ 5,338,140</u>

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Innovative Healthful Behavioral Services - State Department of Health	N/A	GG1440749-01	\$ 2,909
Access to Health and Healthy Active Built Environments - State Department of Health	N/A	Z-17-150838-00	10,000
Litter Grant - State Department of Transportation	N/A	(4)	40,317
Early Childhood Education - State Department of Education	N/A	(4)	610,008
ConnecTenn - State Department of Education	N/A	(4)	7,786
Family Resource Center - State Department of Education	N/A	(4)	29,612
Coordinated School Health - State Department of Education	N/A	(4)	90,000
Safe Schools - State Department of Education	N/A	(4)	<u>17,430</u>
Total State Grants			<u>\$ 808,062</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Haywood County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Child Nutrition Cluster total \$1,914,201; Special Education Cluster total \$783,607.

(4) Information not available.

(5) Total for CFDA No. 10.555 is \$1,362,263.

Haywood County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2017

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Haywood County, Tennessee, for the year ended June 30, 2017.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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**OFFICE OF COUNTY MAYOR**

2016	195	2016-001	The Solid Waste Disposal Fund had a Deficit in Unrestricted Net Position	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	195	2016-002	Lease-Purchase Agreements were not Issued in Compliance with State Statutes	N/A	Corrected
2016	196	2016-003(A-B)	The Office had Deficiencies in Purchasing Procedures	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	196	2016-003(C-F)	The Office had Deficiencies in Purchasing Procedures	N/A	Corrected
2016	197	2016-004	County Officials did not Adequately Control Access to the Courthouse Offices	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	198	2016-005	The Community Development/Industrial Park Fund had a Cash Overdraft and a Deficit in Undesignated Fund Balance at June 30, 2016	N/A	Corrected
2016	198	2016-006	The Office Used a Signature Stamp for Vendor and Payroll Checks	N/A	Not Corrected - See Explanation on Corrective Action Plan
2016	199	2016-007	The Office had Deficiencies in Computer System Backup Procedures	N/A	Corrected

**OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER**

2016	199	2016-008	The Highway Department did not Maintain a System to Account for Materials Used on Some Types of Road Projects	N/A	Not Corrected - See Explanation on Corrective Action Plan
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**OFFICES OF SOLID WASTE AND CHIEF ADMINISTRATIVE HIGHWAY OFFICER**

2016	200	2016-009	Duties were not Segregated Adequately	N/A	Solid Waste: Corrected Chief Administrative Highway Officer: Not Corrected - See Explanation on Corrective Action Plan
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(Continued)

Haywood County, Tennessee  
Summary Schedule of Prior-year Findings (Cont.)

***Prior-year Financial Statement Findings (Cont.)***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<b><u>OFFICE OF DIRECTOR OF SCHOOLS</u></b>					
2016	201	2016-010	Amounts Withheld from Contractor Payments were not Deposited into an Escrow Account	N/A	Corrected
<b><u>OFFICE OF TRUSTEE</u></b>					
2016	202	2016-011	The Trustee Paid Checks by the Community/Development Industrial Park Fund that Exceeded Available Funds	N/A	Corrected

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***Prior-year Federal Awards Findings***

There were no prior-year federal award findings to report.



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**HAYWOOD COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2017**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Haywood County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Number: 84.010 Title I Grants to Local Educational Agencies
  - \* CFDA Numbers 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2017-001**

#### **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Solid Waste Disposal Fund had a deficit in unrestricted net position of \$1,073,600 at June 30, 2017. This deficit resulted from the recognition of a liability totaling \$1,741,335 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior-year audit reports and failed to provide adequate financing to fund the liability.

#### **RECOMMENDATION**

County officials should develop and implement a plan that would fund the deficit in unrestricted net position.

#### **MANAGEMENT'S RESPONSE – COUNTY MAYOR**

We concur with this finding. The liability for costs associated with the closing of the Haywood County Landfill in 1998 and monitoring the landfill for 30 years after closure will be complete at the end of the postclosure term in 2028. In the event of a problem arising from the closed landfill, the county will use all available funds to correct the problem.

#### **FINDING 2017-002**

#### **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 66 disbursements totaling \$200,543 from a population of 3,824 vendor checks totaling \$9,003,158. Our examination revealed the

following deficiencies, which are the result of a lack of management oversight, a lack of understanding of internal controls and sound business practices, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

- A. In three of 11 applicable instances, purchase orders were not issued. Purchase orders are necessary to control who has purchasing authority for the county and to document purchase commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.
- B. In four of nine applicable instances, purchase orders were issued after the purchases were made. This practice defeats the purpose of issuing a purchase order and makes the purchase order an approval for payment rather than an approval of the purchase.

#### RECOMMENDATION

Management should issue purchase orders for all applicable purchases before purchases are made to strengthen internal controls over purchasing procedures and to document purchasing commitments.

#### MANAGEMENT'S RESPONSE – COUNTY MAYOR

We concur with this finding. The office will attempt to issue purchase orders before purchases are made for all applicable purchases in the future.

#### FINDING 2017-003

#### **COUNTY OFFICIALS DID NOT ADEQUATELY CONTROL ACCESS TO THE COURTHOUSE OFFICES** (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination disclosed that county officials did not adequately control access to the courthouse offices. One key will open multiple doors in the courthouse: at least one exterior door to the courthouse, a conference room, and the Offices of Trustee, County Mayor, and Budget Director. Individuals who are not office employees could potentially enter one of the offices unsupervised. Sound business practices dictate that unsupervised access to offices weakens internal controls over assets. This deficiency is the result of management's decision, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

#### RECOMMENDATION

County officials should control access to the courthouse offices.

## MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding. Access to the courthouse offices will be better controlled in the future.

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### FINDING 2017-004

#### **THE OFFICE USED A SIGNATURE STAMP FOR SOME VENDOR AND PAYROLL CHECKS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination disclosed that occasionally a signature stamp was used to affix the signature of the bookkeeper to vendor and payroll checks. *Tennessee Code Annotated* does not provide authority for the use of a signature stamp. Also, internal controls over the use of a signature stamp are inherently weak. This deficiency is the result of a lack of management oversight, a lack of understanding of internal controls, management’s failure to correct the finding noted in the prior-year audit report, and management’s failure to implement their corrective action plan.

### RECOMMENDATION

The office should immediately discontinue the use of a signature stamp and destroy it.

## MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding. The county will discontinue the use of a signature stamp and dispose of any signature stamps currently maintained.

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### FINDING 2017-005

#### **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures, and management failed to provide sufficient oversight.

- A. Expenditures exceeded appropriations approved by the county commission in three of 45 major appropriation categories (the legal level of control) of the General Fund. These over expenditures are reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Public Safety - Fire Prevention and Control	\$ 1,375
Public Health and Welfare - Local Health Center	924
Public Health and Welfare - Rabies and Animal Control	2,399

- B. The budget and subsequent amendments approved by the county commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$21,458. Sound budgetary principles dictate that appropriations be held within estimated available funding.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.”

#### RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission. Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations.

#### MANAGEMENT’S RESPONSE – COUNTY MAYOR

We concur with this finding. The county will attempt to ensure budget amendments are made before overspending occurs in the future.

#### OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

##### FINDING 2017-006

##### **THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR MATERIALS USED ON SOME TYPES OF ROAD PROJECTS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The Highway Department had a system to determine the use of road materials such as bridge lumber and rock for state-aid road projects. However, the department did not have a system to account for materials used on other types of road projects. Sound business practices dictate that the department account for the use of road materials. This deficiency exists because management failed to correct the finding noted in prior-year audit reports. The failure to maintain a system to document the use of road materials results in a loss of control over assets and increases the risk of inventory loss.

## RECOMMENDATION

The Highway Department should develop and implement a system to account for materials used on all types of road projects.

## MANAGEMENT'S RESPONSE – PERRY DAVIS, CURRENT CHIEF ADMINISTRATIVE HIGHWAY OFFICER

We concur with this finding. Our department purchased a weighing scale in April 2017. We were in training for three months. Effective July 1, 2017, materials are now weighed and assigned to each job. The office keeps a daily log of materials purchased and used per job. At month-end, inventory sheets are printed out, and daily tickets are attached to each material. We feel this will be the best way to keep up with materials purchased and used for county roads.

## FINDING 2017-007

### **DUTIES WERE NOT SEGREGATED ADEQUATELY**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among management and employees in the Office of Chief Administrative Highway Officer. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

## RECOMMENDATION

Management should segregate duties to the extent possible using available resources.

## MANAGEMENT'S RESPONSE – PERRY DAVIS, CURRENT CHIEF ADMINISTRATIVE HIGHWAY OFFICER

We concur with this finding. At the time, there was only one employee in the office. In August 2017, a full-time employee was hired in addition to the current part-time employee. Internal controls have been established to segregate job duties between the employees in the office.

## **OFFICE OF DIRECTOR OF SCHOOLS**

### **FINDING 2017-008**

### **FUNDS WERE TRANSFERRED FROM THE GENERAL PURPOSE SCHOOL FUND TO THE SCHOOL FEDERAL PROJECTS FUND WITHOUT COUNTY COMMISSION AND BOARD OF EDUCATION APPROVAL**

(Noncompliance Under *Government Auditing Standards*)

The General Purpose School Fund transferred \$400,000 to the School Federal Projects Fund without the approval of the county commission and the Board of Education. Section 5-9-401, *Tennessee Code Annotated*, provides that “all funds from whatever source derived, including, but not limited to, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” These funds were transferred by management to prevent a fund deficit and provide funding for the 2016-17 budget year. This amount has been reflected in the financial statements of this report as Due from Other Funds in the General Purpose School Fund and as Due to Other Funds in the School Federal Projects Fund at June 30, 2017.

### **RECOMMENDATION**

All transfers between funds should be approved by the county commission and the Board of Education.

### **MANAGEMENT’S RESPONSE – SCHOOL DEPARTMENT FINANCE DIRECTOR**

We concur with the audit finding that the \$400,000 transfer should be accounted for as stated by auditors. We have made the journal entries proposed by auditors and have taken the necessary steps for the 2017-18 year to account for the same type of transactions correctly.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2017.



**Haywood County, Tennessee**  
**Management's Corrective Action Plan**  
**For the Year Ended June 30, 2017**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF COUNTY MAYOR**

2017-001	The Solid Waste Disposal Fund had a Deficit in Unrestricted Net Position	202
2017-002	The Office had Deficiencies in Purchasing Procedures	202-203
2017-003	County Officials did not Adequately Control Access to the Courthouse Offices	203
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# HAYWOOD COUNTY

TELEPHONE (731) 772-1432



OFFICE OF  
COUNTY MAYOR

COURTHOUSE

1 NORTH WASHINGTON • BROWNSVILLE, TN 38012

## Corrective Action Plan

**FINDING: THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION**

**Response and Corrective Action Plan Prepared by:**  
Franklin Smith, Mayor, and Clinton Neal, Solid Waste Director

**Person Responsible for Implementing the Corrective Action:**  
Franklin Smith, Mayor, and Clinton Neal, Solid Waste Director

**Anticipated Completion Date of Corrective Action:**  
The liability for costs associated with the closing of the Haywood County Landfill in 1998 and monitoring of the landfill for 30 years after its closure will be complete at the end of the post-closure term in 2028.

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
The corrective action has not been taken in prior years due to the lack of Fund Balance and revenue collections necessary to fund the deficit.

**Planned Corrective Action:**  
In the event of a problem arising from the closed landfill, the County will use all available County funds to correct the problem.

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**FINDING: THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES**

**Response and Corrective Action Plan Prepared by:**  
Franklin Smith, Mayor, and Rachel Ellington, Budget Director

**Person Responsible for Implementing the Corrective Action:**  
Tiwauna Mann, Accounts Payable Clerk, and Rachel Ellington, Budget Director

**Anticipated Completion Date of Corrective Action:**  
June 30, 2018

**Repeat Finding:**

Yes

**Reason Corrective Action was Not Taken in the Prior Year:**

Corrective action has not been entirely successful in prior years. The office will more diligently enforce purchasing procedures in the future.

**Planned Corrective Action:**

The Office will work with department heads and elected officials to ensure that purchase orders are issued for all applicable purchases in the future before such purchases are made.

---

**FINDING:**

**COUNTY OFFICIALS DID NOT ADEQUATELY CONTROL ACCESS TO THE COURTHOUSE OFFICES**

**Response and Corrective Action Plan Prepared by:**

Franklin Smith, Mayor, and Rachel Ellington, Budget Director

**Person Responsible for Implementing the Corrective Action:**

Franklin Smith, Mayor, and the County Commission

**Anticipated Completion Date of Corrective Action:**

June 30, 2018

**Repeat Finding:**

Yes

**Reason Corrective Action was Not Taken in the Prior Year:**

The Office failed to have the locks on the courthouse doors changed during the course of the prior year, as requested by state auditors.

**Planned Corrective Action:**

The Mayor's Office will request the funds to change the locks at the courthouse to correct this finding and proceed as directed by the County Commission.

---

**FINDING:**

**THE OFFICE USED A SIGNATURE STAMP FOR VENDOR AND PAYROLL CHECKS**

**Response and Corrective Action Plan Prepared by:**

Franklin Smith, Mayor, and Rachel Ellington, Budget Director

**Person Responsible for Implementing the Corrective Action:**

Tiwauna Mann, Accounts Payable Clerk, and Franklin Smith, Mayor

**Anticipated Completion Date of Corrective Action:**

February 12, 2018

**Repeat Finding:**

Yes

**Reason Corrective Action was Not Taken in the Prior Year:**

After reviewing audit findings for the 2015-2016 fiscal year, the Audit Committee felt that it was not necessary for the sake of internal control to dispose of or discontinue use of the signature stamp maintained by the accounts payable clerk. All checks require a second signature from a member of the Trustee's Office. As the employees of the Trustee's Office do not have access to the stamp and do not maintain any signature stamp of their own, the committee felt that there was an adequate control in place.

**Planned Corrective Action:**

In order to eliminate the repeat finding, the accounts payable/payroll clerk will discontinue the use of a signature stamp for accounts payable/payroll checks and dispose of the signature stamp maintained in her office.

---

**FINDING:**

**THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

**Response and Corrective Action Plan Prepared by:**

Franklin Smith, Mayor, and Rachel Ellington, Budget Director

**Person Responsible for Implementing the Corrective Action:**

Rachel Ellington, Budget Director, in conjunction with Elected Officials and Department Heads

**Anticipated Completion Date of Corrective Action:**

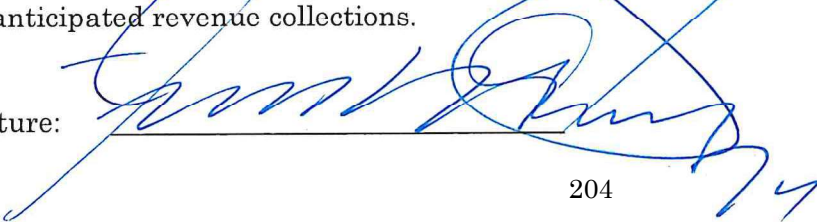
June 30, 2018

**Repeat Finding:**

No

**Planned Corrective Action:**

The budget director will work with elected officials and department heads to ensure that departments request budget amendments before spending in their major category exceeds appropriations approved by the County Commission. The budget director will also attempt to better coordinate with the City of Brownsville to ensure that any amendments needed for jointly funded departments that are maintained by the City, such as the Fire Department and Animal Control, are properly accounted for in the County's budget. In the future, the County will amend estimates for available Drug Funds to account for increases in approved spending due to higher than anticipated revenue collections.

Signature: 

**HAYWOOD COUNTY HIGHWAY COMMISSION**

1306 S. Dupree Ave.  
Brownsville, TN 38012  
Perry Davis, Supervisor  
731-772-9423

**Corrective Action Plan**

**FINDING:** THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A  
SYSTEM TO ACCOUNT FOR MATERIALS USED ON  
SOME TYPES OF ROAD PROJECTS

**Response and Corrective Action Plan Prepared by:**  
Mr. Perry Davis, Road Supervisor

**Person Responsible for Implementing the Corrective Action:**  
Mr. Perry Davis, Road Supervisor

**Anticipated Completion Date of Corrective Action:**  
Date: July 1, 2017

**Repeat Finding:**  
Yes

**Reason Corrective Action was Not Taken in the Prior Year:**  
Scales were purchased in April 2017—Training was done for 3 months on new equipment

**Planned Corrective Action:** Department has purchased a weighing scale. Materials are weighed and ticket out to each job. The office keeps a daily log of materials being purchased and used per job. At month end inventory sheets are printed out and daily tickets are attached behind each material.

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**FINDING:** DUTIES WERE NOT SEGREGATED ADEQUATELY

**Response and Corrective Action Plan Prepared by:**  
Mr. Perry Davis, Road Supervisor

**Person Responsible for Implementing the Corrective Action:**  
Mr. Perry Davis, Road Supervisor

**Anticipated Completion Date of Corrective Action:**

Date: August 2, 2017

**Repeat Finding:**

Yes

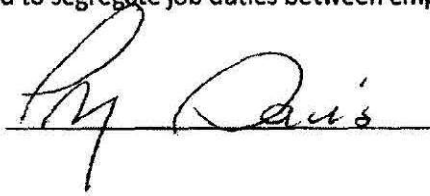
**Reason Corrective Action was Not Taken in the Prior Year:**

Only one employee in the office

**Planned Corrective Action:**

A full time office employee was hired in additional to the part time employee. Internal Controls have been established to segregate job duties between employees in the office.

Signature:

A handwritten signature in black ink, appearing to read "R. Davis", is written over a horizontal line.



Joey Hassell  
Superintendent

## HAYWOOD COUNTY SCHOOLS

900 East Main Street  
Brownsville, Tennessee 38012  
731-772-9613 office 731-772-3275 fax  
www.haywoodschools.com

FINDING: FUNDS WERE TRANSFERRED TO THE FEDERAL PROJECTS FUND (FUND 142) FROM THE GENERAL PURPOSE SCHOOL FUND WITHOUT BOARD OF EDUCATION AND COUNTY COMMISSION APPROVAL.

RESPONSE AND CORRECTIVE ACTION PLAN PREPARED BY – LARRY LIVINGSTON.

PERSON RESPONSIBLE FOR IMPLEMENTING THE CORRECTIVE ACTION—LARRY LIVINGSTON.

ANTICIPATED COMPLETION DATE OF CORRECTIVE ACTION: FEBRUARY 2018.

REPEAT FINDING: NO

REASON CORRECTION ACTION WAS NOT TAKEN IN PRIOR YEAR: THIS IS NOT A PRIOR YEAR FINDING

PLANNED CORRECTION ACTION: WE WILL GET THE BOARD OF EDUCATION AND THE COUNTY COMMISSION TO APPROVE THE \$200,000.00 TRANSFERRED IN DECEMBER OF 2017 TO THE FEDERAL PROJECTS FUND TO PAY "TIF" SALARIES. WE WILL REFLECT THIS AMOUNT IN THE FINANCIAL STATEMENTS OF THE 2017-2018 SCHOOL BUDGET YEAR AS DUE FROM OTHER FUNDS IN THE GENERAL PURPOSE SCHOOL FUND AND AS DUE TO OTHER FUNDS AT JUNE 30, 2018 IN THE FEDERAL PROJECTS FUND. SINCE "TIF" IS ENDING IN 2018 WE WILL NOT NEED TO TRANSFER ANY MONIES TO PAY "TIF" SALARIES IN 2018-2019 SCHOOL YEAR. ANY FUTURE TRANSFERS WILL BE APPROVED BY THE BOARD OF EDUCATION AND THE COUNTY COMMISSION.

SIGNATURE: \_\_\_\_\_

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Haywood County.

### **HAYWOOD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Haywood County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the county commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.